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Introduction:

Special Issue on Public/Private Ventures

The images conjured up by the term "public/private ventures" are varied indeed. Perhaps part of the reason for the variety of projects that are classified as public/private is due to the variety of ways that the words "public" and "private" can be defined. Rather than attempting to define public/private ventures in a specific way, this issue of carolina planning presents case studies and articles that illustrate the diversity of the topic. For those interested in more information and technical assistance on public/private ventures, a handy "clip and save" resource directory of agencies and groups working on this subject is included at the end of the issue.

Several articles discuss the industrial development techniques used by planners. Public funds are often used to provide incentives for the private sector; the results of the efforts can be mixed. Lise Marx and Lee Steppacher use the technique of cost-benefit analysis to evaluate the development of a North Carolina coastal industrial park. While their article focuses on the State's efforts to attract new industry, Larry Liggett looks at the methods used to retain a major Wilmington, Delaware company.

Efforts to revitalize downtown areas often generate considerable public interest, and attempts to incorporate citizen input can prove both rewarding and frustrating. Since public bond issues frequently provide a source of funding for these projects, a majority of citizens must approve of the revitalization effort. In her article on Roanoke, Laddie Fisher describes how citizen input was used to design a redevelopment plan that will bring people and business back downtown again. The success of Roanoke's efforts present a contrast to the frustrations experienced by those involved with the Durham Center project. Elizabeth Tornquist outlines the background of Durham Center and presents a critical view of opportunities for citizen involvement in this public/private venture.

Perhaps because of the ambiguity inherent in the term "public/private ventures," there is no "correct" role for planners in the development and implementation of these projects. Rather, the extent to which planners are involved can range from active support and assistance to few opportunities for input. One planner who is actively involved in public/private partnerships is Watson Brown of Tarboro, North Carolina; his efforts are described in an article written by carolina planning staff members Susan Jones and Ginny Faust. But not all planners can share Brown's exuberance

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and success in this area, and two planners from the Durham Planning Department outline some of their recent experiences with the "magic" of public/private ventures. In the process, they provide a more critical view of the limitations planners may face when they try to participate in these projects.

The federal mandate to make the private sector more responsible for job training will result in new public/private partnerships. Richard de Lone and Natalie Jaffe discuss the types of programs that can be initiated by businesses in order to fulfill this mandate. In contrast, Martin Eakes shows how local groups can generate new jobs through worker-cooperatives. Both articles point out the need for public funds in initiating employment opportunities in the private sector.

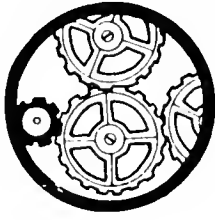
Three authors detail how private nonprofit neighborhood-based organizations blend public and private funds to provide public services. The Burnside Consortium and the InterFaith Council plan and initiate new community agencies in order to provide a variety of human services. The Durham Neighborhood Housing Services program focuses on housing rehabilitation, using government funds combined with loans from local banks and contributions from participating homeowners. All three groups organizations have proved remarkably successful.

The growing concern for preservation of urban and rural open space for public use is reflected in several articles. Private individuals can assist in efforts to preserve open spaces by donating property or rights to property; private nonprofit corporations provide the management and technical assistance needed to make these partnerships successful. This issue presents two methods used to preserve land: the land trust concept, described by a former carolina planning editor, Kathy Blaha; and the greenways concept, described by a former Raleigh Planning Department staff member, Arthur Jackson.



Editors Note:

This April, the North Carolina Chapter of the American Planning Association will devote its annual conference to the theme of financial and legal techniques of economic development. The cases to be presented on the second day of the conference will describe additional recent examples of public/private ventures in the state.



In the Works

RESEARCH TRIANGLE PARK

Triangle J Council of Governments is the lead agency coordinating the Triangle Region's Foreign Trade Zone (FTZ) applications process. Until late November 1982, the Foreign Trade Zone Task Force (FTZTF) accepted bids from prospective owner/operators for the proposed FTZ, eighty of which already have been chartered in the United States to serve international commerce.

Lee Hood Capps, Coordinator of Triangle J's Task Force, visited seven Foreign Trade Zones across the country last October: Morehead City, Wilmington, and Charlotte, North Carolina; Oakland, San Francisco, and San Jose, California; and Seattle, Washington.

"Our goal was to visit existing operations which were similar in concept to what we would like our area's Foreign Trade Zone to be; and to review the various arrangements between the grantee, which in our case would be TJCOG, and the operator of the FTZ," Capps explained.

San Jose's Foreign Trade Zone was particularly interesting to Capps because it was an inland Foreign Trade Zone developed primarily to attract the microelectronics industry, a concern of TJCOG's Task Force. Developed in 1976, San Jose's was also the first Foreign Trade Zone in the country to operate with a minimum emphasis on warehousing, giving more attention to manufacturing and display. Capps stated that TJCOG's Task Force echoes San Jose's sentiment: it, too, does not want to limit its Foreign Trade Zone to performing warehousing functions.

The TJCOG expects the Triangle Area's Foreign Trade Zone to be developed in two stages. Initially, warehousing and light manufacturing would be the primary activities within the Zone. Later stages would accommodate manufacturing, distribution, and exhibit space. "We're looking for a Foreign Trade Zone operator who will be able to give us this two-stage flexibility," Capps said. Previous import/export experience, strong financial bonding, and the ability to develop and maintain a Foreign Trade Zone site within twenty five miles of the Raleigh/Durham Airport are additional prime considerations for selecting a Foreign Trade Zone operator.

More than twelve proposals for the Zone are anticipated by the FTZTF, which is composed of more than forty representatives from businesses, Chambers of Commerce, and city and county governments in the Triangle area. The successful bidder will be notified in early January. For more information contact Lee Hood Capps, Triangle J Council of Governments, P.O. Box 1226, Research Triangle Park, NC, (919) 549-0551.



PITTSBORO, NORTH CAROLINA

A Pittsboro, North Carolina solar energy group is making solar devices available to the low-income, rural elderly using a combination of grant and loan monies. The group, Energy From Heaven, has used funds from the Episcopal Diocese, the Sherwood Forest Foundation, and the Department of Energy to buy materials for fourteen solar retrofit projects. These units, whether hot water heaters, window boxes, or air collectors, are built at day-long workshops open to anyone wishing to participate.

Under the group's loan schedule, no interest is charged the first year. In succeeding years a buyer repays the loan at a 5% interest rate. The buyer has three years from the date of completion of the project to repay the loan. Loans are based on financial need, intended period of residence, and home ownership or landlord approval.

Prices for the units are \$75 for window boxes, \$100 to \$500 for air collectors, and \$300 for hot water heaters. This covers the cost of materials only, as labor is provided by the buyer and/or other participants at the workshops. Buyer participation is encouraged.

In addition to combining different types of funding, Energy From Heaven has worked with many different agencies and organizations in the Pittsboro area. Rays of Hope, another group promoting solar energy, has been the sponsor of the day-long workshops. The model for the revolving loan fund is drawn from the highly successful experience of Bill Dow and Paul Konove in Sand Mountain, Alabama. In the two and one-half years that the Alabama project has been operating, approximately seventy greenhouses, eighty hot water heaters, and over 100 window boxes have been built and put into use. In addition, Sand Mountain now has a solar-powered community clinic.

Reaching the elderly, though, has proven to be a challenge. People are still hesitant about using solar. Although word of mouth is the best form of advertisement, Energy From Heaven has relied on contacts made through the Council on Aging, the Chatham County Extension Service, many churches, the Department of Social Services, and the Chatham County Housing Authority.

Energy From Heaven is a community service project of Saint Bartholomew's Episcopal Church. For more information, contact Cathy Markatos at (919) 542-2139; or Bill Dow at Route 3, Box 73A-4, Pittsboro, NC 27312.



WINSTON-SALEM, NORTH CAROLINA

The City-County Planning Board of Winston-Salem/Forsyth County has recently begun a series of small area plans which focus on key areas of growth and change within the city and county. The size of these areas varies from a small neighborhood to a proposed highway corridor extending across most of Forsyth County. Although different in size, all these areas are experiencing particular growth pressures resulting from public and/or private development. Typical development of this sort includes new highways and suburban office/industrial parks.

The primary purpose of the small area plans is to translate and fine tune the Comprehensive Development Guide by providing more detailed recommendations. In addition to the more traditional land use and zoning recommendations, these plans suggest development and design concepts for vacant land within the study area, which is suitable for building according to natural systems analysis. This approach provides a very workable and practical framework for discussions with developers, city-county officials and residents about implementation. In effect, the plans are structured to speak the same language as developers and local government officials so that public concerns are clearly communicated. Thus, the Comprehensive Development Guide, which takes a broad-based community-wide perspective on guiding growth, is supplemented and expanded with implementation level detail, more effectively linking policy with actual development decisions.

Although underway for less than a year, it has become apparent that the most valuable attribute of small area planning is the early involvement not only of residents but also of investors, developers, and city officials. Bringing all the land use actors together helps to identify common interests as well as points of disagreement. As a result, a candid yet healthy atmosphere prevails during the plan's formative stages for developing and discussing alternatives to identified problems. This helps to avoid the "reactive" response common to public hearings when plans are developed with little or no input by citizens, investors, or developers. Therefore, when a small area plan reaches final approval stages, most problems have been resolved, or at least clarified with alternative courses of action, and their consequences fully described for the governing board.

For more information, contact Bill McNeil, Senior Planner, City-County Planning Board, P.O. Box 2511, Winston-Salem, NC 27101, (919) 727-2883.

Making City/Business/Citizen Partnerships Work In Wilmington, Delaware

For the last six years, planners in Wilmington have been playing an important role in fostering public/private partnerships. Their efforts have led to the creation of new small businesses, additional housing, office space, and improved port facilities. Planners have been active in creating a climate for development, balancing multiple objectives, and negotiating between public and private interests. Because of these efforts, planners in an aging and culturally diverse city of 70,000 have become actively involved in the actual implementation of development.

CREATING THE ENVIRONMENT

Within the context of a region or a state, there are localities perceived as dynamic. It is no coincidence that public/private ventures often occur in these localities, and planners can have important roles to play in creating a dynamic climate for development. For planners in Wilmington, such roles include:

Information agents - Planners in Wilmington have compiled fact sheets that deal with most aspects of marketing housing and other development. In addition, pedestrian surveys are conducted annually to assist in retail marketing of the downtown area. Comparisons are made between the city and other regions that show the strengths of the city, and economic development and housing newsletters are sent out to all businesses, realtors, and banks that publicize events in the city.

Also, periodic studies are undertaken to show the possibilities for innovative reuse, alternative use, or mixed use of vacant or marginally used buildings or sites. These studies also show whether markets exist to support these possibilities. Such studies can serve as the basis for inducing the private sector into some sort of partnership for development.

Developers of "exciting" strategies - The city has created concept plans that highlight what could happen in Wilmington. The main plan is a new river-to-river strategy that links the railroad station and the riverfront at the southern end of the city to a historic village in the northern edge of the downtown. Gateways have been designated at each end of this plan, and new de-

velopment is occurring that lends credence to the gateway concept. In addition, architectural renderings of the gateways and their links with downtown were used as selling tools to convince the private sector that it should be a part of these new developments.

Partnership seekers - Planners in Wilmington have sought several types of partnerships. The city/federal partnership is one that occurs through participation in federal programs, such as the Urban Development Action Grant program. But beyond this partnership, the city has developed an active working partnership with the state. The state has made significant contributions in terms of capital dollars and has changed the tax structure. In connection with the gateways mentioned earlier, the state has formed two development corporations with the city. Another type of partnership is that between the city and the private sector. Through the use of development corporations, the private sector has been involved in both the problems and the opportunities of Wilmington.

DEFINING AND BALANCING PUBLIC INTERESTS

At the same time that planners encourage partnerships, they are often responsible for regulating some aspect of development. The key is to arrive at a balanced set of roles that may include encouraging development, maintaining the quality of the environment, insuring due process, and providing citizen access to the process. In Wilmington, planners balance these seemingly competing roles in several ways:

Zoning - Many projects require controversial rezoning. In an effort to deal with this problem, Wilmington has designed an innovative mixed use zoning system for the riverfront. It stresses performance instead of absolutes, and allows the balancing of conflicting objectives through negotiation.

Design review - Wilmington's Citizen Commission regulates the design of developments in historic districts, downtown, and

Larry Liggett is the assistant director of Wilmington's Office of Planning.



View from south of downtown Wilmington.

along some major entrances to the city. Planners, on the other hand, must deal with questions of economic feasibility, technical feasibility (for example, how to protect historic buildings), and compatibility. The subtle art of negotiating with applicants, commission members, and citizens can bring more results in these situations than will confrontation or issuing ultimatums.

Environmental review - Projects using federal funds require an environmental assessment, which frequently raises questions about historic preservation. Planners often have to address the historic significance of properties, as well as the impact of new developments on adjacent historic buildings. Failure to do so may stall the project until these issues are resolved.

Although regulations can be viewed negatively, it helps to have expeditious review procedures, clear standards, accessibility, and flexibility in meeting multiple objectives for development.

WILMINGTON'S EFFORT TO RETAIN A MAJOR EMPLOYER

The many roles played by planners in the development process are best illustrated by the planning efforts associated with the potential loss of a major downtown employer. In the late seventies, Hercules Incorporated, a chemical company with 1300 employees, decided to leave downtown Wilmington. Extensive efforts by planners and others led to a reversal of this decision. Major reasons for the success of these efforts include:

Change in tax environment - Delaware, with no sales tax, had what many considered an onerous personal income tax that made it difficult to retain technical and managerial staff. Planners and others completed comparison studies that led to changes in the tax structure.

New building location - Hercules had concerns about whether their new corporate image could fit in the largely developed central core of the downtown. The company already had a suburban country club and research center with enough land for a new building. Planning staff developed data to compare the suburban site with ten alternative downtown sites, and visual renderings of the potential sites were prepared.

Hercules was convinced to change its decision about leaving the downtown area, and the company selected a vacant parcel on the edge of the CBD as the only feasible site for the proposed 500,000 square foot building. This site was between a neighborhood undergoing reinvestment and another neighborhood of low-income minority residents. However, Hercules added several stipulations. First, construction had to begin within six months, and second, the city had to reduce the \$30 million construction cost differential between the suburban site and the city site.

Environmental assessment - Although the site was vacant, officials realized that the neighborhoods would be very concerned about CBD sprawl, design issues, and increased gentrification. Officials immediately announced the location decision to the neighborhoods and offered to discuss the project with residents. The neighborhoods in turn announced the creation of a consortium to deal with these issues. Planners were assigned to work with the residents.

Financial packaging - To retain Hercules, the \$30 million dollar gap had to be bridged. City officials determined through lengthy meetings with federal officials that a \$16 million UDAG loan for Hercules was feasible, and that a \$1.5 million EDA grant was not out of the question for the \$12 million parking garage necessary for the project.

Successful negotiating - Major negotiations were required in order to submit the federal grant applications in under two months.

- Land acquisition. The land was owned by the city's largest corporation, a competitor of Hercules. The corporation agreed to sell it to the city at appraised value.

Evaluation of Industrial Development Efforts

One of the difficulties of public/private ventures is that firms and governmental institutions often look at projects from very different perspectives. In this paper we illustrate this problem by evaluating a proposed economic development project in North Carolina from three different points of view: financial analyst, economic development planner, and social cost-benefit analyst. The objective of a financial analysis is to determine the long run profitability of a project. Economic development planners, on the other hand, often view the costs of a project as the incentives used by the government, and the output of a project as increased regional income or employment. A social cost-benefit framework provides a more comprehensive approach for evaluating public investment decisions. A social cost-benefit analysis attempts to measure the value of all inputs and outputs of a project according to society's willingness to pay for them.

BACKGROUND

The Wanchese Seafood Industrial Park opened in late 1980 and is advertised as the first industrial park of its type on the Atlantic coast. Located on the North Carolina coast, it provides easy access to an extremely rich natural coastal fishery. The North Carolina Department of Commerce feels that this natural asset combined with the provision of seafood processing services and access to markets will attract such processing firms to the Wanchese Park. In return, the park would boost the local economy by providing a central place for fishermen to sell their fish, and by providing a place for local residents to work.

A large part of the local population is dependent on seasonal jobs such as shrimping and tourism. The February 1982 unemployment rate was twenty-two percent; this typically high figure begins to drop in April as fishing opportunities increase. It reaches a low percentage during the summer months as the Outer Banks tourist industry thrives. Because the fishing season does not coincide with the tourist season, it is anticipated that Wanchese Park will generate some off-season employment opportunities.

The development of Wanchese Park has been a cooperative venture between the federal government, the State of North Carolina, and Dare County. In total, the public agencies involved have invested \$11.4 million in development of the site. This money has been used to acquire the land, design and build wastewater treatment

facilities, and provide other infrastructure needs. The funding has come from several sources, including the United States Economic Development Administration, the Coastal Plains Regional Commission, and the North Carolina General Assembly. Dare County will provide fire and police protection at no additional cost: the sheriff will simply increase his usual patrol to include the industrial park, and the fire department is voluntary.

Plans for the park include four processing plants and numerous supporting industries. The park consists of thirty-eight acres of land available for lease, and fifteen hundred feet of dock area have been constructed to facilitate fishing vessel access and unloading of catch. Roads and parking areas have been built, and a wastewater treatment plant services the park. By providing these services, the state hopes to create a park in which the presence of certain firms will attract other complementary industries. Ideally, the park would be self-contained and house all services required for fish processing firms.

Provision of these basic facilities has been a major selling point for North Carolina's industrial recruitment program. In the Wanchese case, emphasis has been put on foreign firms, and one potential leasee of space is the Japanese-based surimi industry. Surimi is a processed fish food made from underutilized fish meat, such as croaker. The end product is a fast food style dish, often shaped to look like shrimp.

The abundance of the croaker fishery off the south Atlantic coast should be attractive to Japanese surimi firms. Only 50,000 tons of an estimated four million ton croaker fishery are used by the petfood industry each year, at an average price of ten cents per pound. A single plant producing surimi would demand 1600 tons of croaker to produce 400 tons of surimi each year, and the surimi produced by the plant would sell at \$1.75 - \$2.50 per pound wholesale.

A Japanese surimi plant is currently in operation in Alabama, where most of the fishing is done by company boats. The Alabama plant

Lise Marx and Lee Steppacher are Masters candidates in the Department of City and Regional Planning at the University of North Carolina, Chapel Hill. Dale Whittington, an assistant professor in the department, provided guidance.

buys about 400 tons of croaker a year from independent fishermen, and the remaining 1200 tons of croaker are landed by the firm's boats. Since one vessel could supply over 3000 tons of croaker per year, the excess capacity provided by the firm's boats enables the firm to increase production as demanded. The Alabama surimi plant hired eleven people to assist the incoming vessels in unloading, sorting and storing the catch. An additional sixteen workers were hired to gut fish and work in the production process. There are three management positions, one filled by a Japanese manager and two by Americans.

The end product of a North Carolina surimi production facility would probably be exported back to Japan, because Japan is a known market. Although the U.S. market for surimi may increase in the future, at present its viability is uncertain.

One possible consequence of locating a surimi plant on the North Carolina coast involves the shrimping industry, which is important for the local coastal economy. Because fishing for croaker utilizes trawlers, shrimp may be disturbed by croaker fishing. These disturbances may affect the future shrimp population, although such an effect can only be hypothesized since croaker fishing is not a widespread activity at this time.

A final complication associated with the Wanchese Seafood Industrial Park concerns the navigability of Oregon Inlet. The park is situated on the coast, but protected from the open ocean by the Outer Banks, a series of barrier islands. To reach the park vessels must travel through Oregon Inlet, but in its present state this inlet presents a hazard to boats because of quickly shifting shoals and high probabilities of grounding. To solve this problem the inlet would need to be dredged periodically, a controversial solution partly because the Outer Banks are a protected National Seashore. The analysis presented in this article assumes that boats have no difficulties in entering or exiting the inlet. The Oregon Inlet Project is assumed to be completed by the time the surimi plant located at Wanchese Park. If the project was not completed, boats would probably not risk coming into the Park and potential tenants for the industrial park might decide against locating there.

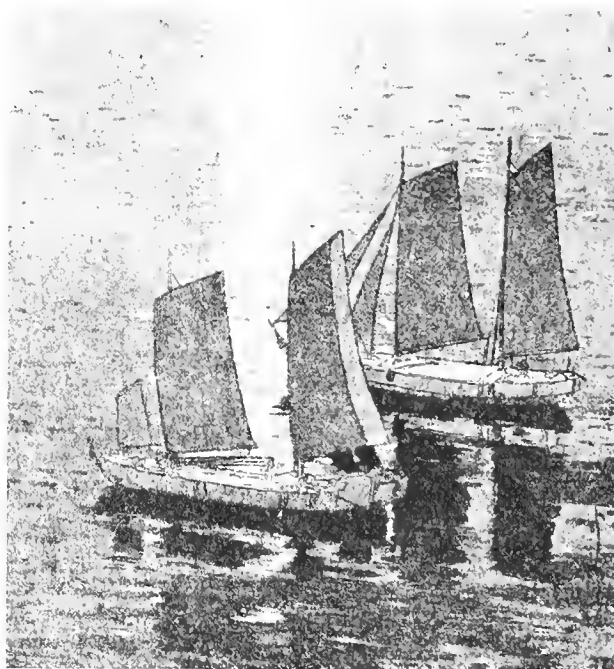
In the next three sections of the paper, we examine the pros and cons of a surimi plant locating in Wanchese Seafood Industrial Park. Three perspectives are used: financial, economic development, and social cost-benefit.

FINANCIAL ANALYSIS

Typically, a major component of the capital investment for a firm is the land on which the company is located. In this case, the land is

rented from the state. The total amount of land needed by the firm is assumed to be two acres, which will be leased at twenty-five cents per square foot annually. The analysis assumes that the time period for which this and other analyses are done will be a twenty year time period, and that the rent in real terms will remain constant over this time period. Rent is the only yearly charge for facilities because all additional support facilities are supplied by the state.

Other capital costs for the firm include the plant facility, specialized equipment imported from Japan, and a boat for catching croaker. The total initial investment for the firm is approximately \$1,690,000. These prices were calculated using information from the Alabama plant and the National Oceanic and Atmospheric Association.



Labor costs to the firm were calculated as follows: for the twenty-seven dock and production workers it was estimated that they would work a total of thirty-one weeks, since the typical croaker season is 210 days long. We assumed their annual wage would be \$17,000 or \$10,000 for the thirty-one weeks actually worked. The management staff of three was assumed to work the entire year at an average salary of \$40,000.

Another portion of the labor cost is the crew of the company-owned boat, all of whom are assumed to be Japanese. At \$20,000 a year, the captain's wage for the season would be about \$11,500. The two crew members are assumed to be paid at an annual rate of \$17,000 per year or \$10,000 a season, bringing the total labor cost for the firm to approximately \$425,000 a year.

Another cost to the firm is payment of both state and federal taxes. About \$60,000 in franchise and corporate income taxes would be paid to the state each year. Adding federal corporate income taxes increases this payment substantially. This analysis is done both with no federal tax calculated and with a maximum tax calculated (see table 1). The amount actually paid would probably fall in the middle of these values. Other expenses not associated with production levels are operation and maintenance costs, which were calculated as ten percent of the initial investment in the boat and equipment or \$119,000 per year.

Other costs are more directly dependent on production levels. At our assumed production level of 400 tons of surimi a year, packing material and shipping will cost \$176,000.

The final input to this project is the croaker used as raw material for the production process. Currently croaker is not only readily available but also underutilized, so there are no supply constraints to the firm. The majority of the fish used would be furnished by the company's own boat, and it is assumed that about 400 tons of croaker would be collected by independent fishermen. At a price per pound of twenty-five cents, yearly payment to these fishermen would be \$210,000.

Balancing all of these costs to the firm is the money received from the sale of the surimi. We assume a value in U.S. prices of \$2.50 per pound in 1982 dollars, based on prices published by the National Oceanic and Atmospheric Administration. For this plant, the yearly revenue from sales of surimi would be two million dollars. Using a twelve percent discount rate, the net present value of this project was calculated over a twenty year period. When no federal taxes were included, the net present value of the project was approximately \$6.9 million. This dropped to about \$3.7 million when maximum taxes were calculated and included. The real value would depend on actual federal tax levels. This is an annual level ranging from \$498,666 to \$923,455. Given the assumptions presented in this scenario, a private firm would probably undertake such an investment.

ECONOMIC DEVELOPMENT PERSPECTIVE

State economic development planners evaluate projects primarily on the basis of their impact on regional development as shown through increases in income. When recruiting an industry, the economic developer frequently appears to calculate the cost to the government of the inputs used to attract the industry to a particular location, and compares this to the income generated by the project. To be successful in attracting an industry, the economic developer must compete with other areas by offering more incentives. In the case of the Wanchese Seafood

Industrial Park, the facilities of the park are the incentives.

Plans for the park indicate that four processing firms can be accommodated in addition to some support industries. Because the vast majority of the facilities were built for and will be used solely by the processing firms, input costs are divided among these four firms. It is assumed that all firms will use the facilities equally, although in fact this may not be case. In this scenario, one-quarter of the state's investment, or \$2.8 million, is assumed to be attributable to the surimi processing plant.

Twenty-seven jobs for unskilled labor would be created by the incoming surimi plant. Salaries for these workers hired for thirty-one weeks of the year are assumed to be \$10,000. Additional income is also generated by purchases of 420 tons of fish from the four independent fishing crews. When evaluated relative to labor costs of the company vessel and associated tons caught, this amounts to the equivalent of one new job, or \$10,700. In addition, two of the management positions are to be filled by Americans, and these managers are assumed to earn \$40,000 per year. The Japanese manager is not considered in this analysis, because from a domestic economic development view the creation of these jobs is unimportant. The equivalent of thirty American held jobs will be created, with total yearly salaries of \$360,700.

In this context, the project can be evaluated using an economic development perspective. Although only a crude indicator, it is possible to estimate the amount of money the state has invested per job created. The cost of the park which is attributable to the surimi plant, \$2.8 million, is divided by thirty, the number of American-held jobs (including the one job equivalent) created by the plant. The result shows that \$93,000 dollars has been invested by the state for each job created by the firm. This is assuming that all laborers were previously unemployed and two managers relocated to Dare County, so that in essence thirty new jobs were created by the plant. If, in fact, only 50% of the workers were previously unemployed, the state would be investing approximately \$187,000 per job created.

To more accurately assess the impact of the surimi plant, two additional factors must be considered: tax revenues generated from the project and the regional multiplier effect of the income earned. Since the state owns the land on which the park is located, the firm is exempt from paying Dare County real estate taxes. Both a franchise tax and corporate income tax are paid to the state. No state sales tax is collected since the surimi are to be sold in Japan. Federal income taxes are not considered in the economic development analysis because they have only a minor impact on the state



through revenue sharing mechanisms. Based on these assumptions, the total amount of taxes paid to the state by the surimi firm would be about \$75,000 per year (see Table 1, page 41).

Much of the income earned by the firm's workers is re-spent within the region and has a net effect on the economy which is greater than the original sum. This concept is captured in the use of regional multiplier. Economic development planners commonly utilize income multipliers and so we have followed their practice in this situation. A multiplier of 1.5 has been used, meaning that the \$564,000 earned in income the first year of operation is equivalent to \$845,000 when re-spent in the economy.

A final analysis of this project from an economic development perspective is obtained when both income and tax revenues to the state are included. When combined, franchise and corporate income taxes total approximately \$61,000 per year. When all inputs and outputs are valued over the twenty-year life of the project, the result is a net present value of \$1.6 million (see Table 1).

In other words, for every dollar spent by the state, 1.6 dollars in regional income and tax revenue are generated over twenty years. If no regional multiplier is used this figure decreases to 1.7 dollars generated for every dollar spent by the state. Again, if only 50% of the laborers were unemployed, for every state dollar spent, \$.88 in regional income would be generated over twenty years. Disregarding a multiplier effect, this figure decreases to \$.63. The obvious conclusion is that the viability of this project from an economic develop-

ment viewpoint is dependent on the extent to which unemployed people are put to work.

It is for the decisionmaker to decide whether a surimi plant which generates between 1.1 and 1.6 dollars for each state dollar represents the best return on investment when compared to other seafood processing companies and other investment opportunities. It is also for them to decide whether the economic development justification for the project should be based on the number of jobs created, without regard for the quality of the work.

SOCIAL COST-BENEFIT ANALYSIS

A social cost-benefit analysis attempts to quantify all the positive and negative consequences of a project, usually from the perspectives of a national government. Its application to the construction of a surimi plant presents an interesting illustration because the private investment is Japanese and the major output of the plant is sold in Japan.

The major public input to this project is the investment in infrastructure for the Wanchese Seafood Industrial Park. The market value of the investment attributable to the surimi plant is \$2.8 million. The next step is to determine how society values this investment; that is, the social opportunity cost must be calculated. This involves estimating the value of the investment in its next best use, which in this case would be an alternative investment opportunity for the state. Because this is impossible to accurately predict, for this analysis the market price is assumed to reflect the social value of this investment. Operation and maintenance of the park facilities are included in the rent charged to the firm. Therefore, this amount is charged to the project as a cost because it precludes alternative uses of this money.

Based on the experience of the Alabama plant, the investment the firm makes in American equipment is \$200,000. Again, the alternative next best use is difficult to assess, especially because it is so specialized. Consequently, the project will be charged the market value for these inputs. Building costs will also be assessed at market value. The remaining investment for equipment is in Japanese goods and therefore have no social opportunity cost from a U.S. perspective.

The next input to be valued is the croaker to be used in the production process. The only alternative use for this fish is as an input for the petfood industry. Only croaker coincidentally caught in the process of shrimping is useful for this purpose. This implies that the social value of the croaker is less than the pet-

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Roanoke Revitalizes Its Downtown According to Public Demand

The city of Roanoke confronted the problems of a decaying downtown by recognizing that a new approach would be required to reverse the flight to the suburbs. Traditional programs had not worked or were stalled by the lack of public enthusiasm. Roanokers had, in the past, believed in downtown. To restore this belief would take more than talk about revitalization and rehabilitation planning. Action had to come from the citizens.

The city asked prominent citizens and business leaders to serve as a steering committee to guide what would be called Design '79. This group became the official decision-making body for the project. The committee would give final approval of the plan and develop specific recommendations for its implementation before submitting Design '79 to City Council. Six objectives were identified:

- 1) Citizen enthusiasm - as citizens explored the potential for their downtown, their enthusiasm would be used to further define the project.
- 2) Downtown as a destination point - downtown would be developed as a destination point, a place where visitors and residents would spend time.
- 3) Recycling old buildings - this new policy would replace the habit of simply bulldozing old buildings.
- 4) Historic city market - preservation and enhancement of this flourishing century-old, outdoor, year-round farmers' market would be another objective.
- 5) Bolstering retail sales - the strength of the tax base and the downtown's position as the true business center were directly dependent upon bolstering of retail sales.
- 6) Developing vacant land - areas which had been scraped clean of buildings by urban renewal in the 60s would need to be incorporated into the central business district through the development of buildings or park areas.

Community planning for downtown revitalization began in the fall of 1978. Fifty community representatives drew maps and pictures and joined in role-playing sessions to prepare for their job which would be that of the on-going resource for community ideas and attitudes. A storefront office in downtown was opened as a full-time design office. All work, even the actual designing, was done in full view of on-lookers whose suggestions were solicited.

Among the more innovative developments were the contributions of three and one-half hours of prime time commercial television programming. Known as "design-a-thons," they aired live telephone discussions by citizens with the consultants and city officials. The sharing of design concepts were made visible through a movable architectural model so that ideas could be dem-



Roanoke Transportation Station: facades

onstrated on the air. Newspaper "ballots" were printed in the local paper on the day of each television show so that the viewers could vote on ideas they liked or did not like. In addition, in-depth interviews were conducted on the streets, and surveys of attitudes and shopping patterns were undertaken.

The final plan was brought together with the assistance of Chad Floyd of Moore, Grover and Harper, from Essex, Connecticut. He developed a catalog of component projects capable of being constructed independently yet interrelated to each other to create a whole. Cost estimates were provided at each step of the way as well as designation of areas for public or private investment.

Laddie Fisher is the Public Information Officer for the City of Roanoke, Virginia.



Center in the Square

In 1979, at a time when bond issues were being defeated all over the country, a major bond issue was passed in Roanoke to support the downtown revitalization effort. This is credited to the involvement of the citizens in planning. The publicly funded projects became known as Century Projects, and these were to be developed primarily during Roanoke's Centennial Year, 1982. All twenty-six Century Projects have been completely designed. Twenty of them were underway or completed as of July 1, 1982, including two branch library additions.

As a direct result of the community planning effort, the revitalized Roanoke Farmer's Market has become a festival area. A number of specialty shops have opened in the area, facing out on the newly lighted market booths with yellow and white striped awnings. Center in the Square, a regional cultural center, has been funded without any local tax dollars. A local foundation, along with federal and state governments, have provided the funds for this building. A reclaimed warehouse, the Center will house the Roanoke Museum of Fine Arts, the Roanoke Valley Science Museum, and the Mill Mountain Theater. These last two share space in a public parking garage -- a combination of public and private funding in one building.

Extending out from the festival area to the downtown business area are new businesses, new buildings, and reclaimed facades that attest to the continuity of Roanoke's pride and growth. A transportation center, started in November 1982, will reclaim the 1890s atmosphere along Campbell Avenue.

Behind these facades a mini-mart and an intra- and inter-city transportation station with parking facilities will be developed.

The Roanoke City Courthouse is to be dedicated in December as part of the Centennial Year celebration. This courthouse will hold for the first time all three courts of the City of Roanoke: the Circuit Court, the General District Court, and the Juvenile and Domestic Relations Court. This new courthouse faces into a government complex which also added a War Memorial to its downtown park area within this past year.

The faith of Design '79, attested to by the passage of the bond issue, gave assurance to private enterprise that downtown was to be the hub of Roanoke. The mutual trust, the assurance that public and private capital could work independently and still integrate as one within the master Design '79 plan is the stuff that gives credibility to Roanoke's Centennial claim "We're One-Hundred and Still Shining!"

The success of Roanoke's Design '79 project as a public/private venture can be attributed to three key factors:

- 1) the involvement of citizens early in the process;
- 2) the use of innovative community planning tools, including the widespread use of the media; and
- 3) the implicit assurance of citizens (through the passage of the bond issue) to private enterprise that downtown was to be the hub of Roanoke.

Durham Center -- How Much for the Money?

"Durham Center," the public-private hotel, civic center and office building complex proposed for the revitalization of downtown Durham, N.C., is no new idea: the notion of a convention center to attract life and investment back to the decaying center of the city first surfaced in 1964. The last time it appeared, in 1977, the city council went so far as to commission a consulting firm to examine the feasibility of constructing a privately-financed hotel in conjunction with a publicly-financed civic (convention) center, and to suggest uses for three city-owned buildings in the historic central business district -- the old city hall, the Carolina Theater, and the existing civic center. The theater and city hall were empty, and all three needed renovation. Citizens and city officials wondered whether the buildings could be renovated and used to help revitalize downtown.

The consulting firm said a hotel was feasible if built in combination with a new convention center, and proposed several construction options. When these plans were presented to the city council they generated intense debate about the city's priorities for the location and use of the new civic center and the reuse of the existing buildings. No agreement was ever reached on any of the issues, and the plans eventually died. A year later the council commissioned a new feasibility study for renovation of the Carolina Theater, and though it was received with enthusiasm, that plan was also allowed to die. The council seemed unable to decide how to proceed.

THE DOWNTOWN DEVELOPMENT CORPORATION

In early 1980 Duke University President Terry Sanford created what he called "the Durham Progress Group," a handpicked collection of business and civic leaders. Over breakfasts at Duke, they set about planning the future of the city and more specifically, the revitalization of downtown.

Sanford's group moved fast. Within a few months it persuaded the city council and county commission to create an autonomous "semi-public" organization called the Downtown Development Corporation (DDC), with financing from both public bodies. The group's aim was to "put together a package" -- a developer and a hotel manager or owner, some sense of the cost of a convention center, a plan for financing it, and an idea of how it would look and function.

Two members of the newly created nine-member Downtown Development Corporation were

appointed by each governing body and the majority (five) by the Progress Group. Several had close ties to Sanford; the driving force of the group was a city councilman (appointed to represent the city) who was, at that time, Duke's Director of Alumni Affairs.

As soon as the Development Corporation was created, it went underground. Though both the city council and county commission were represented on the DDC, for a year neither citizens nor public officials heard any details about what the group was doing. Anyone who asked for information was told that doing so might jeopardize sensitive negotiations among the developers, hotel managers and downtown property owners.

PROJECT PLANNING MOVES FORWARD

In January 1982, the corporation produced its package -- some vague sketches of Durham Center; the name of a developer, Dobson and Johnson of Nashville, Tennessee; the name of a hotel manager, the Sheraton Corporation (interestingly, Sanford is on the board of International Telephone and Telegraph, which owns Sheraton); and wide-ranging estimates of the public cost with little detail on how this cost would be met. Over the next six weeks the city council held "mini" public hearings on this package in the city's six wards, with city council and DDC members present to answer questions and get citizen input in firming up the plans. But council members appeared to know little or nothing, and when anyone asked a question of corporation members, the answers included "We don't know yet, we haven't worked that out, we're still gathering information." Citizens' suggestions were met with silence.

While these public hearings were being held, the financial planning was moving ahead and another kind of planning began. The Hayti Redevelopment Corporation began meeting privately with city staff and some council members to discuss the need for city investment in the revitalization of the Hayti area. This group was interested in the black business district and surrounding territory, known as Hayti, which was razed by urban renewal in the sixties and since then left bare. Meanwhile, at one of the last "mini" public hearings, the former head of the Durham Committee on the Affairs of Black

Elizabeth Tornquist is a well-known Durham activist who has written extensively on this topic.

People said the black community could not be expected to support a bond issue for the revitalization of downtown Durham without an accompanying plan to revitalize Hayti. At that time, black voters comprised over 35% of the Durham electorate.

At the big public hearing which followed the "mini" series in March, the Downtown Development Corporation, the developer and his architect, and the city staff presented the final package. Durham Center, a gray glass and aluminum complex stretching along Chapel Hill Street in the central business district, would contain a 300-room hotel, a 10 to 12 story office building, and a civic center designed primarily for conventions and exhibits. The complex would be near the old civic center (still packing them in), the old city hall (by this time transformed into the home of the Durham Arts Council), and the Carolina Theatre (now a thriving art film house). Though all three buildings were in dire need of renovation, they were not included in the plans.

Total cost to the citizens would be at least \$13.5 million. Three million dollars would be paid by the county from revenue-sharing funds requiring no vote of the citizens (who might have opposed it), and \$10.5 million would come from bonds to be voted on by the city electorate alone. The city and county would share equally the expected operating deficits of the civic center. And the city would put \$1.5 million into the revitalization of the Hayti community. The hotel and office building, said the city manager, would represent an investment of \$40 million and another \$20 million of private investment could be expected in Hayti. With all that, the tax rate need only go up a penny to pay for the center.

At this public hearing a group of citizens presented an alternative plan for the downtown complex drawn up by a local architect. This plan reduced the size of the civic center and shifted its focus toward more local uses, with better access by citizens and a design more in keeping with the historic business district. The alternate plan also included renovation of the Carolina Theater and the Arts Council building. Total cost to the citizens, including these renovations, would be slightly less than the proposed convention center.

A few council members expressed interest in the alternate plan, but the developer and the architect said it came too late. The developer was shocked, he said, that something "had popped out at the 12th hour," especially since he had coordinated everything with city officials "from day one." Several council members urged that the alternative plan be given more consideration, and the council agreed to wait a week to vote on the plan so they could examine the citizen plan.

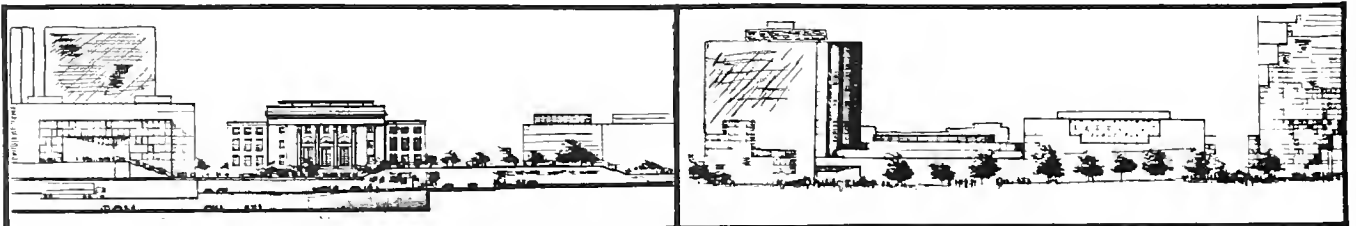
A week later, the council accepted the developer's plan without alterations and set the bond issue election for June 29. Everyone was in a great rush because the developer wanted to begin construction before summer's end. Land acquisition, said the Development Corporation, was proceeding without hitches; they had options on seven of the eleven parcels needed, and negotiations were continuing on the others. The developer had a commitment from a major tenant, General Telephone, for the office building. And the planning was moving so fast, the city manager said that he would need to pay the architect \$400,000 even before the bond election.

THE BOND ISSUE CONTROVERSY

To pass, the bond issue needed more than the backing of the already supportive business community. It also needed the support of the arts groups, as well as the black community, which represents the single biggest chunk of the city's electorate. The arts groups gave their full support to the proposal. Even though their buildings were left out of the plans, they expected to get everything they wanted later.

According to the arts groups, the construction of Durham Center was only the first phase in the revitalization of downtown; they were confident that the arts buildings would come next. The city staff agreed that Durham Center was Phase I, the arts buildings renovations would be Phase II, followed by mixed use developments (housing, retail and commercial) north of downtown in Phases III and IV. The financing for these new long-range projects was not mentioned; the arts groups were relying on trust.

The black community was less certain. As the bond election date approached, the Durham Committee on the Affairs of Black People issued



architect's renderings of the proposed Durham Center

a committee report saying successful revitalization of Hayti would require not \$1.5 but \$5 million of city funds. Some members of the city council cried blackmail; but city staff and Hayti Redevelopment Corporation members worked out a compromise figure and some compromise plans. The black community supported the bond issue, giving it the crucial votes to pass. The bond issue was opposed by white progressives, who supported the alternate plan for the downtown complex, and it was soundly defeated in white working class precincts, as are most government spending proposals. Some of the money for improvements in the area was in the city budget, and the Hayti Redevelopment Corporation did receive \$50,000 for a feasibility study. The rest, however, had to be taken on trust just as the arts buildings had to be.

PROBLEMS THAT NEED TO BE SOLVED

With the passage of the bond issue the Downtown Development Corporation went out of existence -- it had done its job, provided a "package," and pulled together the support to pass the bond issue. Now it was ready to bow out, leaving the city council to complete the planning and see the project through. But in its haste to get the citizens' commitment to the bond issue, the corporation left some crucial parts of the plans at loose ends and may have raised expectations among supporters which will prove difficult to meet.

Even before the bond election, ragged edges were appearing; since then, they have unravelled further. Last spring, for example, the corporation said it had options on all but four parcels of land needed for Durham Center and negotiations were continuing on those. But two property owners, it turns out, were not negotiating; they have thus far refused to sell and are asking for payment far in excess of the amount being offered. One parcel stands where the publicly-owned civic center is to go and it can thus be condemned; but the owner, who is black, has raised the question of racial discrimination in the way the city has set prices for land, and it is not clear what reverberations that may have in the community.

The other parcel stands where the office building is planned. The owner, who has repeatedly said that he thinks the whole project should be built outside the central business district, now says it will take a sizable financial inducement to make him change his mind. This owner has acquired land in the central business district under the current urban renewal plan. He says he may not approve (as all new property owners must) the changes in the urban renewal plan that are required to construct the civic center complex inside the central business district. The city is thus left with several unattractive options for dealing with the problem, including taking the legally questionable



step of condemning private land for private use and risking a long court suit. Though the council has reached no solution, the developer is already sending out brochures to potential investors showing the original location and arrangement of the buildings.

Land acquisition is only one of the tangled issues facing the city council. The city manager, who worked with the developer and the Downtown Development Corporation to bring all the plans this far, has resigned, leaving the council to get the knots out as best it can. For example, the provision of parking facilities remains unresolved. Currently, there is no public money budgeted for this purpose and the developer has not agreed to provide such facilities.

The contract with Dobson and Johnson is the most problematic of all. When the bond issue passed, the company said they might back out of the project altogether unless they were paid for services already rendered in its development. Though this seemed a peculiar demand to all, the city in its contract with the firm has agreed to pay them \$300,000, justifying the money in part as a "finder's fee" for bringing in private investment and in part as a consultant's fee for a wide variety of future planning services, even though the firm has no planning background.

Even with all these uncertainties and tangles, the chances seem good that Durham Center will come to some kind of fruition. After all, \$13.5 million of public money are available, the Sheraton is committed to a hotel, and a major tenant is waiting to occupy an office building. Almost any developer could make money with that setup. The question is whether the citizens could have gotten more for their money and whether the promises of more to come -- in the revitalization of Hayti and the renovation of the arts buildings -- can be met.

What Happens When the "Magic" Wears Off?

The issues raised when public planners become involved in the private development process are illustrated clearly through a careful reading of Elizabeth Tornquist's analysis of the Durham Center's development. As city planners, we are involved daily with private developers -- reviewing site plans, considering zoning changes, proposing utility extensions or street improvements. We even subsidize private developers if they are building or rehabilitating houses. Only recently have planning departments anywhere in the United States become involved in assisting industrial and commercial developers in any substantial way; most of the relationships between planners and economic developers to date have been regulatory or even adversarial.

Durham has had an economic development staff person in its planning department only since 1979, and the City Council adopted its first comprehensive economic development strategy in October of this year. The Durham Center and its development gave the Department of Planning and Community Development its first experience with the "magic" of a major public/private development initiative. A few of the facts of life learned from this experience follow.

First, there are few cases where developers and development groups are exactly beating down the doors of planning agencies, asking them to help plan their projects from the beginning. Regardless of the level of expertise found in a planning staff, planners must often be willing to seize opportunities to inject themselves into a development process rather than waiting to be "invited." It's a tricky maneuver, but one that must be undertaken if a planner sees his or her role as a "change agent." It's almost flattering that observers think we were closely involved from the beginning in the Durham Center development process; we, in fact, volunteered our ideas for the project location to the corporation near the end of their planning phase, without solicitation. Fortunately, those ideas were welcomed and incorporated before the developer became heavily involved in detailed project planning. Later suggestions for design changes were also offered on our own initiative.

Another lesson learned from the Durham Center was that no amount of publicity necessarily makes the development process public. It's hard to explain to community groups that planners seldom know more than what gets into the newspapers. An aura of secrecy pervades any development project and everybody involved, and no explanations will satisfy everybody -- even our-

selves. An added dilemma surrounds the issue of public information. In cases where we are made privy to confidential information, exposing the developer's confidences may jeopardize the project. The trust and confidence we worked hard to attain would probably be lost. However, secrecy does restrict the input community groups have into a major development project that will involve public money. In this situation, the best a planner can do is be aware of community needs and represent them as much as possible whenever an opportunity arises. Keeping an ear to the ground should be a part of every planner's work program, just as it is for every elected official.

A final important discovery from this process was our own perception of the planner's role in this process. As a planner you are taught by schooling and experiences to be a compromiser. Proposing compromises sometimes earns you a place on everybody's hit list. But it's one important aspect of your job. You weigh alternatives, identify the most important objectives, and propose modifications to the project. The developer and the architect may become unhappy; sectors of the community may still be unsatisfied.

As the above points reveal, public planners must be willing to assume that development projects will occur in some form with or without the support of the entire community involved.

AN AURA OF SECRECY PERVADES ANY DEVELOPMENT PROJECT AND EVERYBODY INVOLVED, AND NO EXPLANATIONS WILL SATISFY EVERYBODY

It may not happen in your town, but it'll be somewhere. Until the governing body or voters reject a project, a planner must work to assure that the project will have few adverse impacts, will have lasting benefit to the community, and will provide benefits to people who historically have not benefitted from development. This may not be the best solution, but it is usually the

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only one available to a planner in a public agency. In most instances, the tools you have are a few regulations, some occasional subsidies, and the power of persuasion. It's no way to make a lot of friends in either the development community or the low-income, working, and minority communities. It may not be totally satisfying even to the planner, but we continue to believe that constructive participation in making small changes in projects contributes to our department's credibility and thereby increases our role as planners in future local development decisions.

Assuming, then, the above description of a planner's role in the private development process, there are a wide range of opportunities for our involvement and influence in a project such as Durham Center. There are an equal number of limitations on our involvement. These limitations include: a private developer's natural unwillingness to be loaded down with the "baggage" of solving the community's socioeconomic problems with a single project; the twenty-year history of discussions about a civic center in Durham, lending a sense of urgency to the deliberations; and the highly political nature

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of the discussions. Among our list of concerns, we did not focus heavily on the socioeconomic impacts of the project. We did not propose a developer "guarantee" of jobs to low income residents, although the issue was discussed and received favorably by the developer. We did not get into the issue of how local groups should be charged to use the new facility. We did not propose a financing plan that would accrue some percentage of the developer's profits to the city for community economic development projects. Considering the economic complexities involved, the lateness of our entry into the process, and the newness of our involvement in economic development, we did not feel we were in a position to develop and give financially sound solutions to all these problems.

However, we did feel comfortable in proposing some important features concerning the location, impact, and design of the Center. We felt strongly that placing the Center outside the downtown loop, as the original discussion suggested, would not only be a colossal mistake but would also work against any past or future efforts to revitalize the present downtown. Location of the Center inside the loop also meant proximity to the three older buildings (Carolina Theatre, Arts Council, and Old Civic Center), a strategic location for assuring their preservation and continued use. We also made several suggestions about design aspects of the Center,

influenced by issues raised by the group of citizens that presented an alternative design proposal. The fact that this input was received and used was, we felt, a very significant measure of the usefulness that planners can have in the development process.

What we did, then, was estimate our opportunities and limitations, and try to work within them to influence the Durham Center development

WE DID NOT GET INTO THE ISSUE OF HOW
LOCAL GROUPS SHOULD BE CHARGED TO
USE THE NEW FACILITY.

process. Perhaps we underestimated our potential for influence; however, we do feel we were able to make some changes in the project that will benefit the community in the long run. As our role in economic development continues, we will have more experience, confidence, and trust to assert considerations we feel are important ones. In order to assume that increased role, keeping our ears to the ground and knowing community concerns will be very important. We have initiated an ongoing planning process that should provide a useful mechanism for assimilating those concerns.

The future of Planning and Community Development involvement in Durham development projects is improving. With a City Council-adopted Economic Development Strategy and aggressive staff contact with the development community, the beginnings of an active and hopefully effective program are in motion. Criticisms of our activities should concentrate not on whether we work with private developers, but on how we work with development projects and how our actions benefit the community.



How Tarboro Won the Public/Private Game

A walk in Tarboro is not what you'd expect. No decaying, rundown downtown in this small southern community. It has its empty storefronts, but a poster on the door of one vacant building is indicative of the real story in this town. The poster announces a candlelight tour of the community's historic homes followed by a special concert of seasonal music, and asks interested residents to call Watson or Phil at Tour Headquarters. Tour Headquarters turns out to be the Tarboro Planning Department, and Watson Brown and Phil Guy are two of the planning staff. They're the same people who helped purchase that vacant building, along with several other downtown properties, with a \$2.7 million Urban Development Action Grant for downtown revitalization projects.

Another sign announces "The Great Downtown Tarboro Attic Sale," which was held to raise money for restoring the Blount-Bridgers House, a historic landmark. It will contain an art gallery and community center. Interested in further information? Once again, the sign tells you to call the planning department.

carolina planning traveled to Tarboro to interview planning director Watson Brown about Tarboro's transition from reliance on federal funding to experimentation with public/private ventures.

Tarboro is a community of 10,000 people located on the Tar River in Edgecombe County, North Carolina. It's a community rich in tradition. Since its incorporation in 1760, the number of people and mansions in the town have grown with the tobacco and cotton industry in the surrounding area. Located in North Carolina's coastal plain, Tarboro is approximately seventy-five miles east of Raleigh, in the midst of a triangle formed by the cities of Wilson, Greenville, and Rocky Mount.

Twenty percent (forty-five square blocks) of Tarboro lies within a local historic district, and almost double this amount is included on the National Register of Historic Places. Community historic preservation groups have been in existence since the 1960's, and they have provided the impetus for many of the national listings. This historic pride and preservation have been linked with creative public/private economic revitalization to strengthen the downtown area.

REVITALIZATION PROJECTS

"Tarboro is a preservation-conscious town," observed Brown. "People are aware of the 'per-

fect small town' environment, and want to keep it that way." Beginning with a neighborhood revitalization project near downtown, Tarboro is now involved in a comprehensive program to rehabilitate the downtown district. It involves a retirement center, a rehabilitation loan program for downtown businesses, a pedestrian park, road improvements, a riverfront park, landscaping and sidewalk improvements, and more off-street parking. The planning department helps to publish a monthly newsletter describing the progress of these projects.

"We began with neighborhood revitalization because by stabilizing the downtown area on two sides, it became a more desirable location for businesses," said Brown. "Then we started making plans for the downtown. We hired the firm of Zuchelli, Hunter and Associates to do a market study of the downtown for us, and they recommended we emphasize attracting small specialty shops rather than chain stores. They also said we needed more restaurants."

In 1980 Tarboro was chosen to participate in the National Main Street Center Demonstration Project. A team of revitalization experts came in February last year to make recommendations to improve its established downtown program. Following the team's suggestions, the town established a revolving fund to acquire buildings and property for reuse. The planning department has been recruiting businesses to locate in these buildings. A new french restaurant, "Matt's," will be opening soon. "But it's not just a restaurant", Brown noted. "The Weaver family came from Indianapolis, and they're going to have an art gallery and shop as well as a place for gourmet meals. One of the reasons they chose Tarboro is because of our historic district and active downtown."

The Albemarle retirement village is a seven-acre community right next to downtown. It will have 150 apartments, a medical wing, and dining, social, and recreational facilities. "It's a little town in the middle of downtown. There's nothing like this in the state east of Chapel Hill," Brown remarked. The \$14.4 million center will be constructed entirely with private funds, although the site itself was acquired by the town with UDAG money. The property was sold to the developer in March of 1982.

Susan Jones and Ginny Faust are Masters candidates in the Department of City and Regional Planning at the University of North Carolina, Chapel Hill.



The facades of Tarboro Seafood before (left) and after restoration (right). This is one of many Main street buildings rehabilitated with the aid of Tarboro's UDAG money.

Another component of downtown revitalization is the town-wide riverfront park. The town is buying land along the Tar River and will be taking down buildings that block the view to make it more attractive, clean, safe, and accessible. Since it's in the floodplain, it will not be developed more intensively.

The planning department is working to restore the Blount-Bridgers House. Located in the historic district, it is a three-story federal mansion built in 1808. This is another public/private venture that many community groups have worked together to fund. Brown explained, "The catalyst was getting the Hobson Pittman Memorial Gallery in Tarboro." Pittman (1899-1972), an impressionist painter, was born in Edgecombe County and graduated from Tarboro High School. His niece, Alyce Weeks Gordon, is donating numerous works by her uncle along with many of his personal effects.

The gallery will be located in a portion of the Blount-Bridgers House. Brown remarked, "It's going to be a mini civic center. We're going to have concerts and art shows and educational programs here, as well as the gallery. It will be a meeting place for local clubs and organizations. There will even be a bandstand. The town bought it during the Depression for a community house, and with this restoration it will become one again."

FUNDING

Funds for Tarboro's revitalization projects come from several sources, eighty-two percent of them private. A \$2.7 million Urban Develop-

ment Action Grant (UDAG) came to Tarboro in May of 1980, the first to be awarded in North Carolina. With it, the town has leveraged over \$16 million in private funds for various downtown projects. The major private investment is the \$14.4 million Albemarle retirement village. UDAG monies have been used to purchase whole blocks of vacant buildings on Main Street for subsequent recruitment of businesses. In addition to the funding sources already identified, \$943,000 from other federal, state, and local public funds has been committed.

The Blount-Bridgers House is being restored with funds provided by the North Carolina General Assembly (35%), Heritage Conservation and Recreation Service (7%), and foundations and private donations (7%). In addition, money will be provided from the Bureau of Outdoor Recreation for an Olympic-sized swimming pool on the same property.

In late 1981 the Z. Smith Reynolds Foundation awarded a grant to the North Carolina Department of Natural Resources and Community Development to assist in the administration of the Main Street Program. This money, as well as a later grant provided by the General Assembly, is being distributed through an incentive grant program for downtown Tarboro. The purpose of the grants is to aid in rehabilitation of buildings while encouraging good design principles, and each incentive grant is limited to \$500 or 25% of the project, whichever is lower.

The primary financial incentive to rehabilitate downtown buildings is an interest subsidy loan program funded through Tarboro's UDAG. This program is dependent on the availability of

interest subsidy funds from the federal government, and it awards loans in accordance with guidelines set by the town and local lending institutions. All seven of Tarboro's banks and savings and loans have committed a total of \$1.5 million for use in this program, which has reduced loan interest rates by four percentage points.

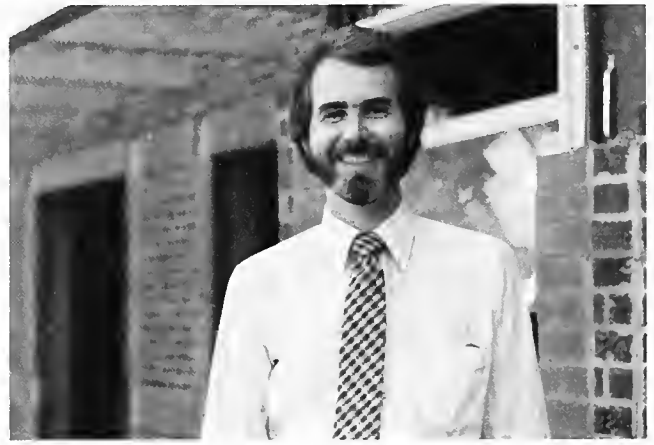
REASONS FOR TARBORO'S SUCCESSFUL VENTURE

Tarboro has not always enjoyed such high levels of downtown activity and planning department involvement. The coinciding evolution of downtown and the planning department is no coincidence. Watson Brown, shortly after completing graduate work in planning and urban design in 1974, became Tarboro's first planner. Prior to that, Tarboro had relied upon planning consultants, but residents realized they needed more consistent guidance when they received Community Development Block Grant (CDBG) funds. Only a year passed before Brown was joined by another planner, and the department was well on its way to its present size of four. Since then, its scope has broadened from dealing with CDBG funds to more traditional planning functions, as well as public/private ventures.



The Albemarle in August of 1982

Brown is originally from Tarboro, and he's found that knowing community traditions has been extremely important in his work. He knows how far to go in suggesting innovations for revitalization, since he has a good feel for what is acceptable to townspeople. The community's atmosphere is also conducive to downtown projects which have been initiated. "Tarboro is a special place," said Brown, "and people in the town feel that." The community's quality of life has been maintained over the years. Residents want to help preserve that quality and do what fits in with the plan for downtown revitalization. As an example of community support, Brown cited instances of residents calling the planning department for advice about colors to paint their houses in order to blend with others in the historic district.



Planning Director Watson Brown

Experience in Tarboro shows that when many of the headaches have been reduced or eliminated for them, business people are more willing to cooperate in the restorations. The town employs an architect who provides downtown merchants with free renovation advice. He collects the plans, specifications, and cost estimates for historic renovations of Main Street building facades, and even oversees the work. Brown and Philip Guy also have design backgrounds, and many of the physical improvements in downtown Tarboro are based on preliminary designs provided by North Carolina State University graduate students. One downtown businessman described his role in the renovation of his storefront in this way: "They organized it. All I did was pay for it."

"Success of Tarboro's public/private experiment is due in large part to the vision of David Brown, Town Manager from 1965 to 1971," asserted Tarboro's planning director. As a community with a history of old money and strong leadership, the people of Tarboro are interested in improving their quality of life, and they are willing to act on that interest. As one town council member expressed it, "In order to be progressive you have to be aggressive."

"That's been Tarboro's history," explains Brown. "If something needs to be done we'll do it ourselves." He mentioned as an example the physical fitness equipment in the town's two recreation centers, which were financed by a local bond issue. Community residents voted to support their own quality recreation program because the town couldn't support a health spa or similar private recreational club.

The planning department is still involved in more traditional activities, such as keeping track of subdivisions and Planned Unit Developments. But even there, things are happening. "We have two PUD's in the planning stage now, where they can get bonus points if they use solar heating. They also get extra points if they increase density and cut costs," Brown remarked.

(Continued on page 23)

New Developments In Employment Training: Federal Mandates for Change

If the last four years of CETA gave the private sector a chance to get its feet wet in the great sea of employment and training programs for the disadvantaged, the federal government's new Job Training Partnership Act of 1982 throws business in from the high board, hoping it will swim. Private sector participation in planning, monitoring, evaluating, and allocating resources for all federally-funded employment and training (E&T) activities will be mandated (as of next October 1); their representatives on Private Industry Councils in each area will be equal partners with local elected officials in deciding how funds will be administered and programs managed.

But how much that mandate will be expressed in real involvement remains to be seen. The past twenty years of "involving the private sector" in E&T has taught us that good will is not enough, that a mandated role can be played with little conviction, and that serving the disadvantaged is difficult for the private sector. The crucial questions of how, and how much business and industry can be involved in serving both their own needs and those of disadvantaged youth and adults remain the province of local planners.

The task of the 1980s remains the same as it was before the passage of the new law: finding ways to develop E&T policies and plans that maximize the involvement of employers. A true public/private partnership cannot be accomplished by national fiat; it must be based on specific local conditions.

Given the fact that persons eligible for assistance from federal programs must be economically disadvantaged and are therefore at the bottom of the labor pool, most employers don't need them and don't hire them. Our job is to find incentives, to create programs from which employers can profit, even if only in the long run. Financial incentives are not enough; the rather limp employer response to most On-the-Job Training (OJT) programs and the Targeted Jobs Tax Credit (TJTC) over the past five years has taught us that lesson.

Therefore, the first step in the planning process becomes definition. For each local area, one must ask: who has to be served; what does the private sector need; and where is the area of overlap, the area for public/private partnerships. First-level definition also re-

quires specificity in the meaning of "involvement" and the types of programs aimed at various populations.

The economically disadvantaged include youth, adult, female, and dislocated workers, with each distinct group requiring a different approach. Even among youth, program needs vary among the sixteen year-old drop-outs, the eighteen year old high school graduates and the twenty year olds who have been knocking around the labor market for some years. Aspects of language and culture must also be put into the equation.

The private sector is far from monolithic. Business is, appropriately, motivated first by profit considerations; second by prestige considerations; and third by social considerations that can be accommodated when they don't conflict with the first two goals. But the mix of these considerations and the degree to which a business needs a certain kind of labor force varies widely by industry and firm size. The needs of McDonalds and Apple Computer are varied indeed.

The nature and degree of possible private sector participation in public E&T programs was given a preliminary test by CETA's Private Sector Initiatives Program (Title VII) that established business-dominated Private Industry Councils (PIC) in every prime sponsor jurisdiction. Public/Private Venture's three-year study of that initiative in sixteen cities around the country found some clear indications for the future:

- The role of staff was crucial to the functioning of public/private partnerships. Competent professional staff, familiar with both federal programs and the modus operandi of the private sector, was essential to effectiveness.
- The quality of business involvement depended at least partly on PIC members having latitude to plan and carry out programs as they saw fit, and having that latitude clearly defined and maintained in a stable, non-political environment.

Richard de Lone is the president of the firm Public/Private Ventures.

Natalie Jaffe is assistant to the president of the firm.

- The clear tendency of PICs to seek out the most job-ready CETA clients stemmed from an understandable focus on serving business needs effectively. But as a result, the worst off among the disadvantaged population went unserved.

Our findings in the PIC study, and our work with other types of public/private ventures over the years, seem to indicate two broad areas of private sector participation in E&T issues: the role of strategist and the role of the employer as a consumer.

In the role of strategist, business representatives contribute their own expertise in charting a long-range course and then staying around to insure that the moves along that course are properly made. This role is sharply distinct from that of the traditional advisory committee, which tends to make suggestions, leaving the rest of the job to overworked government officials.

Business is accustomed to taking the long look at problems and resources in ways that government finds difficult to do under pressure. One example is the participation of the local Business and Industry Association in long-range planning for a coordinated attack on youth unemployment in Bridgeport, Connecticut. With the assistance of Public/Private Ventures, the state of Connecticut has started a three-year process aimed at the creation of a state-wide, interagency, public/private system that will bring all available resources to bear on the problems of "at risk" youth. Bridgeport is one of the pilot areas in the development of that system, a key element of which is the local Area Action Team, which includes representatives of regional business, labor, education, employment, training, and community organizations.

The Business and Industry Association is the core of the team in Bridgeport. As a result of its influence, the community for the first time has gone through a sustained process of inventorying needs and resources, and it is prepared to build on those resources to meet the needs it has defined. The pressures of city-suburban rivalries, interagency turf battles, and short-term funding objectives make it impossible for a government entity to orchestrate such a long-term strategy. Business has a contribution to make here and is able to see the payoff down the road.

The second major role for the private sector in the employment and training of disadvantaged youth and adults is the role of the employer as a consumer: helping to develop the potential of individuals so they can serve employers' needs. As we said, the planner's job here is to get the consumer to buy; to find incentives, or eliminate disincentives, for participation in the training and employment process.

Different levels of involvement are possible. Employers may simply agree to hire, or they may agree to act as mentors and take responsibility for employees' development. They may also contribute to the design of a training program's curriculum or donate appropriate equipment. They may screen applicants for



training in skills the employer needs, or they may supply the expertise needed to make a training program work.

Before giving some examples from our own experience, it is important to note here the dangers of over-planning and over-regulating how disadvantaged workers will move into and through private sector jobs. As the kids say, you have to "go with the flow"; here the flow involves the natural inclinations of employers and the workings of the labor market. Attempts to regulate their behavior are doomed to failure. Part of planning to provide incentives for employers is designing programs that jibe with how things really work, not how we think they should.

Some examples:

Pre-Employment Services is the generic name for programs that recruit, screen, and give job readiness training to young people just entering the job market. A recent P/PV study of two such national programs, 70001 and Jobs for Youth showed that such well-designed programs do help prepare disadvantaged youths for their first step into the labor market. Employers with high turnover needing unskilled, minimum-wage workers are pleased that a reliable service program will supply, screen, and monitor new employees for their business.

A variant of such programs is exemplified by the Private Sector Employment Assistance Corporation in Hartford, Connecticut. There, P/PV worked with the local Private Industry Council to design a program that provides pre-employment services, as well as such incentives to hire as On-the-Job-Training and Targeted Jobs Tax Credit. Plus, there was the additional incentive of taking over all the bureaucratic paper-work

involved in getting reimbursement for training costs.

Work experience in the private sector provides small employers with trainees whose wages are paid in full by a service program during training. Employers provide training and supervision in tasks specific to their small business; examples include carpentry, insurance, dental lab work, car painting, and furniture refinishing. These examples are taken from a demonstration project in northern Wisconsin called Project Opportunity which P/PV developed and assessed. In such programs, the employer is spared not only the cost of wages during training, but also the work involved in recruitment and training, red tape problems, insurance costs, and payroll responsibilities.

Skills training is a more traditional role for the private sector, but the new emphasis is on using public funds to support such programs and only when the private sector has first indicated a demand. In Cleveland, for example, local employers identified an urgent need for machinists who are rapidly aging out of the work force. With the assistance of P/PV, both business and labor involved in the machine trades got together to design a classroom curriculum, provide hands-on work experience, and make provision for OJT slots in their companies for successful graduates.

Providing the expertise necessary to insure that trainees can match the standards of business and industry is a crucial role for the private sector. The unusual success of our Ventures in Community Improvement program model was largely due to the use of union journeymen as supervisors and trainers for small teams of disadvantaged youngsters learning the construction trades. Involving experts from the beginning not only improves the quality of training, but provides entry into the trades for successful graduates.

From the point of view of planning, these few examples hint at the complexities involved. Once the nature of the population in need -- both the disadvantaged and the employers -- and the possible resources are identified, real planning begins. Choosing just the right program or mix of programs to suit different needs, getting the parties to agree to participate, monitoring progress to make sure original goals are not being ignored or subverted, telling the world when it works, and fighting pressures to maintain programs that should not be scuttled are all part of the process.

The major lesson of our experience: just because national policy has expressed itself in legislation that includes the word "partnership" doesn't mean that appropriate job training for the disadvantaged will result. That depends entirely on good local planning.

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The Bakery Shoppe - before



The Bakery Shoppe - after

Tarboro is also trying to recruit industries. "We have a high rate of unemployment in the county, so we need to keep attracting firms," observed Brown. "Tarboro is close to Rocky Mount -- close enough so that Tarboro residents drive to Rocky Mount to do much of their shopping. Businesses say 'why invest in a building here?' But we don't want to be a bedroom community for Rocky Mount."

That's when Brown becomes Tarboro's sales representative. The planning department has been working hard to attract businesses to fill the downtown buildings that the community has purchased. Two recent successes are a new dry-cleaning center (a branch of a Rocky Mount business), and a K Mart located in the mall. "With these new stores, people will be more likely to stay in town to shop," said Brown.

The planning department staff enjoys a variety of roles. How does Brown feel about his untraditional mix of responsibilities? "I love to be a salesman for this town. I love packaging programs, negotiating and marketing. I enjoy putting together public/private ventures more than I did just collecting federal money. It's more creative, interesting and exciting."

Worker Ownership as an Alternative to Industrial Recruitment

In April of this year, a few hours before midnight, nine people loaded into a single pickup truck for an all-night journey from Murfreesboro, North Carolina to New York City. The days spent to, from, and in New York were quite an experience, involving meetings with union officials, national church groups, national foundations, and zipper manufacturing and equipment experts. The trip was one of the early steps in a struggle by a group of life-long residents of northeastern North Carolina to take local economic development into their own hands. These efforts began with the sudden closing of the Talon Zipper plant in Woodland, North Carolina, which at its peak had employed more than 450 people in a region where industrial jobs are few and far apart.

A core of workers from the Talon plant, some of whom had worked at the plant for more than twenty years, formed a committee to figure out their options. Workers turned first to their union, the International Ladies Garment Workers, and then to the Center for Community Self-Help in Durham and Legal Services of the Coastal Plains in Ahoskie. After months of investigation and hard work, this workers' committee formed the United Zipper Company, a worker cooperative that is owned by its worker-members and that makes decisions on a one-person-one-vote basis. Like their neighbors at Workers' Owned Sewing Company and New Bern Bakery Company, and people in other communities all over North Carolina, the worker-owners of United Zipper Company decided that they could not afford to wait for industrial recruitment to bring jobs to them. The skepticism of industrial recruitment, in this case, has proven to be justified. Not only have no plants moved to Hertford County since the Talon closing, but two additional industrial employers have closed their doors.

As United Zipper Company began putting the resources together for the start-up of its operations, the necessity of combining public and private resources became increasingly clear, particularly in structuring a financing package for the business. For example, national church groups were interested in lending up to \$150,000 for capitalizing the business, but wanted a degree of safety for their loans. The same requirement was posed by local banks and non-profit lending sources. Since the members of the cooperative had recently been laid off from the Talon factory, workers' savings had been largely depleted by the struggle to survive while being unemployed. Where then could equity

funds and subordinated debt be found that would give private lenders a safety cushion for their collateral?



The town of Murfreesboro provided the answer to this problem. Severely hurt by the Talon plant closing in nearby Woodland and other plant closings, the town of Murfreesboro needed jobs and an expanded, or at least stable, industrial tax base as much as the worker-members of the zipper cooperative needed an income-producing livelihood. Thus, after a series of public hearings, the Murfreesboro town council sponsored a Community Development Block Grant application to state government in Raleigh. This grant, if approved, would go to the town of Murfreesboro, which would then loan \$325,000 to United Zipper. There would be no interest on this loan, and the principal would be repaid over a twelve year period, with a deferral of any payments during the first two years of the zipper cooperative's operation. Most important of all, this loan would take a subordinated collateral position behind the private lenders, who would be required to put up an additional \$325,000 of start-up capitalization. As the zipper factory repaid the town's loan, the town

Martin Eakes is the director of the Center for Community Self-Help, a Durham based organization that provides technical assistance to worker cooperatives.

would have funds that could be loaned to other worker cooperative businesses that would in turn help expand the town's job opportunities and tax base.

United Zipper is a good example of collaboration between private agencies/lending sources and local governments. Most worker cooperatives that are formed as a way of saving or creating jobs, however, are more than a mere joint venture of the public and private sectors. A worker cooperative, because of its unique internal structure, is actually a bridge between local governments and private industry. The structural advantages of worker cooperatives can be summarized as follows:

- 1) information credibility since owners are more accessible and familiar;
- 2) confidence in safety and health actions due to democratic decision making;
- 3) disbursed benefits of ownership, similar to public services; and
- 4) geographic loyalty since owners are local residents.

Information Credibility

Since a worker cooperative is controlled by its worker-members, all of whom are local residents, it has been the experience of the Center



for Community Self-Help that local government officials are more comfortable in establishing a collaborative relationship. The owners of a worker cooperative have often lived in the community for years and have gone to school and church with local government officials. Each knows what to expect of the other. This sense of shared personal history gives local government officials a better ability to judge the accuracy of information provided by the owners and managers of a worker cooperative. In this sense, a worker cooperative is like other locally owned businesses. In addition, because younger people become members of the cooperative as older members retire, a worker cooperative will remain a locally owned business. There will not be a retirement crisis that forces the business to be sold to a conglomerate company based outside of the local region, which is often the fate of family-owned businesses that have been successful over the years.

Safety and Health

Because it is often difficult for employees and community residents to get information about potential health and environmental hazards posed by a particular industrial plant, an affected community or workplace cannot easily monitor risks of this sort. Since the employee-members of a worker cooperative have the power to change working conditions, the company has every incentive to correct occupational hazards. Moreover, since the workers live in the community where the plant operates, they are unlikely to release hazardous wastes since their families and friends will be the first to suffer. The worker cooperative structure prevents the embarrassment and health dangers that have been created by some economic development projects. For example, an electronics assembly plant was developed

EVEN IF A COOPERATIVE BUSINESS FAILS, THE
BENEFITS WILL HAVE BEEN BROADLY DISTRIBUTED
IN THE LOCAL COMMUNITY...

in Durham a few years ago to provide jobs for a targeted low-income community. Numerous complaints from workers about nauseating gases and other harmful working conditions contributed to the New Jersey company's decision to close the Durham plant altogether. This fatal impasse regarding working conditions would not have happened had the employees been the owners in control of the business.

Disbursed Benefits

Since local governments and nonprofit public service organizations have a mandate to serve a broad-based constituency, a partnership effort by these groups with worker cooperatives

makes particularly good sense. Cooperatives, by definition, must divide the profits of the business among all the worker-members of the business, which often means an equal share of the profits go to each of the full-time employees of the business. Hence, the fruits of the business benefit a broad group of people, regardless of one's capital accumulation, rather than a few shareholders, another corporation, or a single family. Public support makes sense in this situation. Even if a cooperative business fails, the benefits will have been broadly dispersed in the local community, with no single individual receiving a large or disproportionate personal benefit. Many church, nonprofit, and governmental groups require this dispersal of personal benefit before they will provide any support whatsoever to an economic development project. After all, there is little that is more frustrating to a public service organization than to see its effort enrich and empower the few who least needed their help in the first place, with the broader community no better off than before.



The Center publishes a newsletter called "Changing Shifts."

Geographic Loyalty

With plant closings more and more a problem for communities in North Carolina, particularly in rural areas, the notion of geographic loyalty has become increasingly important. When Texfi Industries suddenly closed its 500-employee texturizing plant in New Bern during the summer of 1980, no local government official had any advance warning of the plant closing, even though Texfi officials in Greensboro had been considering shutting down the New Bern plant for over two years before the sudden closing. Since several hundred thousand dollars had been spent in municipal improvements for Texfi's benefit, including extension of water and sewage services to the Texfi plant, the town of New Bern had both a civic and a financial interest in knowing any plans of impending shutdown. Two and one half years later, the Texfi plant still sits empty in New Bern.

Time and again we at the Center have seen this happen. Numerous local economies have been buffeted by garment and other companies that obtained local governmental and community support only to close six months later and move 100 miles down the road. Many industrial recruiters in rural North Carolina counties will tell you that they have no interest in attracting another highly mobile business. Despite the heavy bidding among small towns for out-of-state industries, there are few county developers who would go to the trouble and public expense if he or she knew in advance that the industry would move again within a few years of starting operations in North Carolina. Building an infrastructure for industry and providing technical training specific to that industry is an investment by local governments that is often completely lost if the company ceases operation in the near future.

Worker cooperatives bridge this public distrust quite easily. In fact, the impetus for starting worker cooperatives in the first place has often been the inability of local residents to move as quickly as plants can close down. Even in one of the most mobile and volatile of industries, garment sewing, the Workers' Owned Sewing Company in Windsor, North Carolina is not likely to move from the area where all of its voting worker-owners live. In short, an investment by local governments in worker cooperatives is simply less risky from the business relocation point of view than a similar investment in an economic development project sponsored by a non-local industry.

With the need for local economic development becoming more apparent with every passing month, worker cooperatives offer a unique opportunity for collaboration between the public and private sectors. The structuring of cooperation within an economic development project greatly strengthens the opportunity for trust and cooperation with the local community.

Editor's note:

In spite of being regarded as a well documented, well written proposal, the Block Grant proposal was rejected because no private lending source in eastern North Carolina would participate in the financing package.

The United Zipper worker-owners are continuing to seek funds despite this temporary setback.

Self-Reliant Cities

In these times of dwindling outside support for our financially-troubled cities, the Institute for Local Self-Reliance calls for the reconceptualization of the city as a resource base and producer. Through research and technical assistance, the Institute has found that even the poorest cities and neighborhoods have wealth. For example, in its consulting activities, the Institute was asked what the South Bronx might do to generate revenue. Although not usually seen as a place of many resources, the South Bronx has one of the country's largest vegetable markets (a potential source of compost) and a large vacant tract of land (a place for composting). The composting operation that resulted from Institute and municipality cooperation was so successful that the South Bronx is considering expanding it and "exporting" compost to Manhattan flower shops.

Energy production draws the attention of the Institute, as payments for energy used within a city amount to a large drain on local capital. Eighty-five cents of each dollar spent on energy currently leave the city to purchase energy generated elsewhere. If energy is produced locally, those eighty-five cents stay within the

local economy and meet local needs, such as those for job creation or infrastructure reconstruction. It makes economic sense.

As the role of the city as producer changes, so does the relationship between the public and private sector. According to David Morris, Director of the Institute, the municipality's role is to protect the rights of people to generate their own energy, or even to facilitate people exercising that right. For example, Oceanside, California, a city with a large elderly population, was faced with the question of what to do about the squeeze between rising energy prices and the elderly's fixed incomes. City officials decided to coordinate a solar hot water heater leasing program. Firms that wished to lease equipment through the city program agreed to charge a set rate, to abide by the city's consumer complaint procedure, and to post a performance bond. Within three weeks of the program's announcement, \$15 million had been committed by firms eager to participate.

The Institute's newsletter, "Self Reliance," is published six times a year. It chronicles successes around the country in economic development, local energy production, recycling, housing and health care. It is available from the Institute at 1717 18th Street, N.W., Washington, D.C. 20009. The Institute also has a publications list available on request.

Continued from page 6

- **Hercules.** To bridge the gap, Hercules was finally convinced that a \$12 million parking garage, free land upon which the company would build a plaza and its building, adjacent park land where a vacant school used to sit, and a \$12 million loan at 5% interest and no principal payment would reduce the gap to an acceptable amount -- about \$7 million.

- **Federal officials.** HUD officials agreed that a low-interest \$12 million loan and a \$4 million land acquisition grant were acceptable.

- **State officials.** In exchange for participation in future development decisions, the state agreed to build the park and improve adjacent state maintained roads and bridges.

- **Parking Authority.** An 1100 car garage was necessary to meet demands, and the Authority agreed to build it if it was guaranteed by the full faith and credit of the city and if the Authority received about half of the UDAG loan payback.

- **Neighborhoods.** Through an extensive

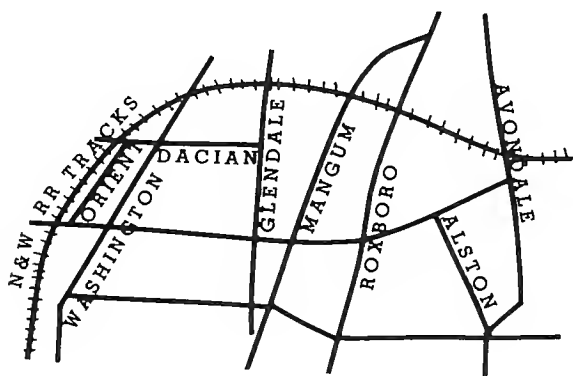
series of meetings, planners and citizens dealt with traffic congestion, design and construction issues, parking problems, displacement concerns, and UDAG payback. A city/neighborhood development agreement was signed that handled these issues contractually. This agreement resolved all environmental issues, included requirements for substantial design changes in the Hercules building, and established a neighborhood foundation that will receive over \$6.9 million in paybacks over 25 years.

Although there is still an occasional night meeting about noise, construction is almost complete and the building is scheduled to open in April 1983. The neighborhood foundation has established a board of directors and hired staff members.

Making a city/business/citizen partnership work is a time consuming process. In spite of this fact, the model described here has also been applied in an effort to retain the city's largest insurance firm. This is another opportunity for planners to implement quality development that has the final support of all the parties involved.

Durham Neighborhood Housing Services: Reversing Neighborhood Decline

Since 1980, Durham Neighborhood Housing Services (NHS) has offered free financial counseling and technical assistance to all property owners in the Old North Durham neighborhood (see map below). The program's goal is to reverse neighborhood decline by bringing together the resources that contribute to reinvestment and growth: residents, business, and government. A volunteer board of directors that represents each of these elements runs the organization with a paid staff of three professionals carrying out the daily delivery of services. In the four cases described in this article, Durham NHS served as a bridge between the private and public sectors to achieve the renovation of under-maintained property. The improvement of each of these properties directly led to additional reinvestment in adjacent properties in the neighborhood.



OLD NORTH DURHAM

1310 Shawnee Street

The renovation of this one-story Cape Cod style residence has been the catalyst for several improvement projects on this street. The owners wanted to make major improvements including refinishing a large attic space as a room for family and guests. Their existing indebtedness for their house, cars, and education left them with no disposable income. They tried to refinance their home through the Veterans Administration but their request for funds was so substantial that the VA required basic repairs to be completed before approving the refinancing package. The owners were caught in a situation

where they needed a loan to make repairs and then needed to make the repairs so that they could qualify for a loan. Durham NHS made a short-term construction loan of \$2000 for exterior painting and porch repairs. At the completion of this project, the VA approved the refinancing loan and the extensive interior renovation took place under the supervision of the NHS rehabilitation specialist.

1210 N. Roxboro Street

A middle-aged couple lived in this one-story frame building for nearly fifteen years. They had a joint income of around \$15,000 and had several credit obligations in addition to the relatively low mortgage payment on their home. They consulted with Durham NHS and chose to consolidate some of their major obligations along with a home improvement loan from First Union Mortgage Corporation. Debt consolidation actually improved their monthly cash flow by about \$35. In addition, they were able to pay for repairs to their home totalling around \$8,000. These repairs included roof replacement, kitchen remodelling, foundation repairs, and energy conservation. Energy conservation loans are made by Durham NHS for any property in the neighborhood that meets minimum housing code standards.

1715 Hamlin Street

By 1981, this two-story brick residence was vacant and subject to increasing vandalism. Attempts to sell the property failed because of the extensive rehabilitation that was required. All appraisals determined a value of the property in its current condition. Durham NHS worked with Mutual Savings and Loan Association to appraise the property in an "as improved" condition. Using a scope of work and cost estimate prepared by the Durham NHS rehabilitation specialist, Mutual S & L appraised the property at \$37,500 "as improved," an amount \$13,500 greater than the purchase price. Mutual agreed to make the loan to purchase the house if Durham NHS took a second mortgage loan for the rehabilitation work. The total obligation of the buyers comes to around \$520 per month. During the winter of 1981-1982, the new owners completed the

Brent Glass is the executive director of the Durham Neighborhood Housing Services, located at 210 East Trinity Avenue, Durham, N.C. 27701.

following rehabilitation work: roof replacement and installation of gutters and downspouts; masonry and foundation repair; new kitchen cabinets, attic insulation and ventilation system; storm windows and doors; porch handrails; interior carpentry and ceiling repair; attic finish; and a new bathroom in the attic. The owner invested his own savings and a great amount of his own labor to increase the amount of "rehab" work accomplished during this phase of the project. He is currently applying for FHA-insured refinancing to complete his project.

113 E. Seeman Street

This home, built in the 1890s, was one of the most obvious eyesores in Old North Durham when Durham NHS began operations in 1980. The owner was a handicapped man who had inherited the property from his parents in the late 1960s. He was unable to maintain the residence and had no family or adequate source of income to assist him. Durham NHS coordinated a stabilization effort in 1980 and 1981 designed to utilize volunteer services, local contributions, and weatherization grants from Operation Breakthrough. Fraternities from Duke and North Carolina Central universities scraped and sanded the house along with residents and NHS staff. Students from Durham Technical Institute used the house for carpentry and plastering workshops. Operation Breakthrough crews replaced broken windows and added insulation in the attic.



The house stood in this condition through most of 1981 and the winter of 1982, while the owner underwent treatment in a state hospital. In the spring of 1982, Durham NHS agreed to lend the owner the funds to convert the property into an owner-occupied duplex with the rent from the upstairs area paying for the rehabilitation loan. The rent of this unit will be subsidized through the Section 8 Moderate Rehabilitation program. The total loan proceeds equal \$27,750 including a payment to the state of North Carolina for a lien incurred as a result of the owner's medical treatment. Monthly payments to Durham NHS will be \$231 and the Section 8 rent of \$329 will be sufficient to make loan payments, as well as to pay taxes, insurance, and monthly maintenance costs.

As of September 1982, Durham NHS has approved twenty loans totalling almost \$200,000. During the two and one-half years since NHS began operations, over \$1 million in reinvestment has been documented. This reinvestment includes rehabilitation of owner-occupied and rental properties, capital improvements by the city, and new residential construction projects. The role of NHS is to create an atmosphere of confidence so that the residents, lending institutions, and local government will invest their dollars in the physical improvement of the neighborhood. This physical change is directly related to a change in attitudes about the neighborhood and an improvement in the overall quality of life.



113 E. Seeman Street

The Durham Neighborhood Housing Services is partially supported by a federally chartered organization called the Neighborhood Reinvestment Corporation (NRC). This nonprofit corporation has helped start Neighborhood Housing Services (NHS) programs in 130 cities across the country since its inception in the early seventies. The success of the programs is demonstrated by the fact that a dollar of public funds spent by a NHS generates an average of ten private dollars. In fact, federal funding for the NRC since 1977 has increased from \$10 million to \$14 million, and the Reagan administration intends to increase the corporation's budget by twelve percent in fiscal year 1983.

Services can be Provided Cost - Effectively

The Burnside Consortium was incorporated as a nonprofit corporation on September 12, 1978. Incorporation of the Portland, Oregon organization occurred only after two years of study and discussion by neighborhood residents, business interests, city officials and existing service agencies. City government felt a need to have a professionally managed umbrella organization for the Burnside neighborhood. At the same time, existing service providers were adamant that the Consortium not become a "super agency" that would engulf them.

The Burnside neighborhood is located at the north end of Portland's central business district. It encompasses about ninety square blocks and is a mixed use neighborhood with warehousing, commercial businesses, professional offices, Portland's Chinatown, and the Old Town Historic District with a mix of specialty shops and restaurants. Burnside is also Portland's Skid Row with honky-tonk bars, "grocery stores" specializing in the sale of fortified wines, missions, and flop houses. Most of the area's 2,000 residents live in residential hotels and missions, but a substantial number reside under bridge approaches and in doorways.

The Consortium has focused its efforts on the provision of low-income housing and alcoholism rehabilitation. Programs have been financed through a combination of government grants and contracts, corporate donations, foundation grants, and individual gifts. The 1982-83 operating budget totals over \$2 million, and including capital expenditures and special projects, the total budget approaches \$3 million.

Ongoing programs of the Consortium include the operation of a medically supervised alcoholism detoxification facility and sobering station. In addition, the Consortium operates six residential hotels with a total of 310 units, supplies maintenance and repair services for 617 housing units, and runs a winter emergency shelter program that has 248 spaces. The Consortium has also mounted several special projects, including the renovation of three residential hotels and the packaging of low-interest small business loans.

Currently, there is considerable interest in contracting out public services to nonprofit organizations, particularly those which are neighborhood based. Local governments perceive this as a way to deliver services cost effectively and through organizations closer to constituents. Nonprofit organizations view this

as a new source of funding in an era of shrinking federal grants.

If such contracting is to be done on a fairly large scale (for example, Burnside Consortium has about \$1.6 million in local government contracts), then nonprofit organizations are going to have to become sophisticated program managers. Probably only a few such organizations exist today and few others have the potential to evolve into such entities. As a result, most local governments considering such contracting generally think in terms of single-purpose and non-technical services. Park maintenance, street cleaning, and trash removal are services most frequently mentioned.



There is potential to provide services more creatively, more cost effectively, and with greatly increased quality if all levels of government -- federal, state, and local -- are willing to invest relatively modest sums in organizational capacity building. For instance, the Burnside Consortium was able to deliver totally renovated housing at a cost of \$6,300 per unit as compared to over \$40,000 per unit for Section 8 housing in the same community. The Consortium has proven its ability to deliver housing services and a full range of alcoholism services at a fraction of the cost of traditional approaches. This has been accomplished with only minimal subsidies. Other local jurisdictions would do well to seek out and encourage similar organizations and negotiate true public/private partnerships with them.

Andy Raubeson is the executive director of Burnside Consortium, 222 N.W. Couch, Portland, Oregon, 97209.

Twenty Years of Providing Human Services

How can a private organization generate public services? What can happen when the churches in a community join together to deal with local human service needs? Judging from the work of the InterFaith Council of Chapel Hill and Carrboro, the possibilities are endless.

This year the InterFaith Council (IFC) celebrated its twentieth birthday. In those twenty years this group has helped plan and initiate several local service organizations, including the Council on Aging, Health Consumer Organization, Alcohol Recovery Inc., Friends of Nursing Home Patients, Meals on Wheels, and Vial of Life, to name only a few. The agency got its start when a group of women from several local churches joined together to help meet the needs of poverty stricken people in the community. Along with serving these individual needs, the women also organized a Committee on Community Needs as a continuing activity. Today, thirty community religious institutions and congregations support the IFC by donating the many hours and dollars needed to run the agency.

The IFC directs its energies into three divisions: individual services, community services, and general services. In response to individual needs, trained volunteers see clients daily. In 1981 the agency saw 700 clients, held 1,000 interviews, and gave emergency financial assistance for food, housing, heat, utilities, transportation, medicine, and child care. The IFC staff also works closely with public agencies through referrals and by sharing information. In addition, the IFC is responsible for the annual detailed listing of community resources for social services printed in the local telephone directory.

Often individual problems point to a pattern of needs which apply to large groups of people, and therefore require further action by IFC. By lobbying for new legislation and demanding more effective delivery of human services by official agencies, volunteers in the community service division have improved the public sector's ability to meet citizens' needs. IFC has initiated a Welfare Rights Union, lobbied against the state food tax, and is currently trying to establish a uniform county housing code. Recently IFC secured HUD fund authorization to build twenty-four units of low-cost housing for the elderly and handicapped, which will be the second housing program that the IFC has initiated. In response to the new state law that requires children under the age of two to be put in car seats when riding in an auto,

the IFC is starting a program to rent car seats to low income families. Other services initiated this fall include a neighborhood "soup kitchen" and a personal budget counseling service.

The general services division is responsible for the administration of the agency, and for offering administrative and planning assistance to other programs which are just getting off the ground. IFC offers telephone services, office and mailing supplies, seed money, and community support by sanctioning the new program. As the project grows the IFC helps the new program seek public or alternative funds so that it can operate independently. A few of the programs started in this way include Head Start, the YMCA integrated day camp, the PTA Thrift Shop, the Council on Aging, and Alcohol Recovery Inc., a nonmedical detoxification center.

The local United Fund contributes one-third of IFC's financial resources, with the balance being equally divided between individual contributions and the churches. The total annual budget is about \$100,000 and there are two and one half paid staff positions. The core group of volunteers usually numbers about 100. Throughout its lifetime, IFC has used over 4,000 different volunteers whose "free" time has not only saved the community millions of dollars, but has also given citizens a chance to help others.

The IFC is an example of how a private organization can use comprehensive social planning to discover and then fill the gaps in public services. Organizing through area churches is an effective way to evoke a tremendous amount of citizen participation and gives an organization strong community influence without political affiliation. Public services come and go at the decree of two to four year office holders, while the IFC has grown steadily over twenty years. This steady growth shows that there is a need for the services that the IFC offers. Other communities in North Carolina have come to the IFC requesting advice on beginning similar programs. Council members are very willing to help other communities and encourage any interested persons or groups to contact them at any time.

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The Capital Area Greenway Program: Private Land Goes Public

Citizen initiative comes in many forms, ranging from legislative referendums to neighborhood sponsored "downzoning" requests. Once the hoopla that surrounds these campaigns dies, often the interest and support of the community fades. The initiative is then left in the hands of the public officials to interpret or fit into an already overburdened system.

Not so with the Capitol Area Greenway, a part of the Parks and Recreation Program in Raleigh, North Carolina. The fact that this program continues to receive regular and substantive community input and support is a reflection of the people who have backed the idea since its inception and the unique character and heritage of the program.

Greenways are linear parks constructed primarily along the major creeks and streams that pass through the city. They provide opportunities for passive recreational activities while preserving these sensitive natural resources. They also provide pedestrian and bicycle access between various forms of recreational open space (parks, schools, etc.). The standard greenway trails are either eight-foot wide asphalt paths on a gravel base or five-foot wide nature trails. The system now consists of eight trails

totaling twenty miles -- fourteen miles of paved trail and six miles of nature trails. The city has over 360 acres of greenway in property or

There are two classifications of greenways; the corridor and the connector. The greenway corridor is that expanse of land adjacent to a creek in which a greenway trail will be built. The greenway connector is an overland connection along the street or sidewalk network that is used to provide a complete system of trails throughout the city. Greenways, "green fingers," and linear parks have been around since the early 1800s in Boston, Philadelphia, and Charleston, S.C. The impetus for establishing such a system for Raleigh came in part from citizen concern for the fate of Raleigh's natural environment.

Raleigh, traditionally priding itself on its development as the state capital while preserving its natural environment, refers to itself as a "park with a city in it." It was not until the late sixties that this poetic description was threatened.

The city is traversed by a number of streams that feed into the Neuse River, the major tributaries of which are Crabtree and Walnut Creeks. The presence of these creeks, the total acreage of poor soil around them, and the pattern of annual flooding prompted early real estate developers to build on the higher ridges and plateaus. Thus, stretches of attractive forestland were preserved throughout the city. The regular flooding of these areas did little damage during these early years.

In the late sixties, development crept closer and closer to these creeks. Property damage due to flooding increased. Attempts to moderate floods, particularly along Crabtree Creek, by constructing dams increased the severity of the flooding upstream.

By 1969, this problem helped generate interest in preserving the floodplains. The city planning department produced a publication appropriately titled Raleigh...A Park With a City In It. In 1972, William L. Flournoy, Jr., of N.C. State University, wrote his graduate thesis



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(with a grant from the city council) on the benefits and feasibility of a greenway system for Raleigh. Ironically, major flooding occurred in the area the following year and severely damaged a shopping mall recently constructed in the Crabtree Creek floodplain. Public support for the greenway program increased. The severity of these floods and the outcries of citizens led to the passage of a strong ordinance that severely limited development in floodplains. The active support from key individuals, the Sierra Club, and League of Women Voters set the stage for acceptance of the greenway concept by the city in November, 1973.



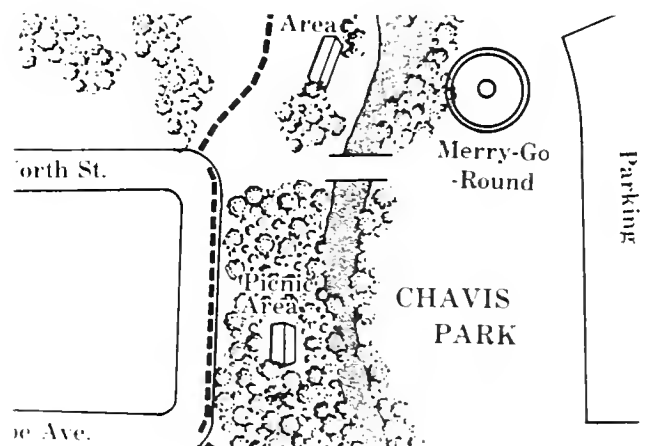
Since citizen initiative promoted the greenway program, the city council decided to incorporate continued citizen involvement in this program. They created the Raleigh Greenway Commission, a board of fifteen appointed citizens whose purpose is "to involve individual citizens in the planning, acquisition, and development of the Capitol Area Greenway System." Ann Taylor, currently working with the N.C. Department of Natural Resources and Community Development, and one of the first commissioners, aptly described one of their more important roles as communication. "We are a semi-official body," she said. "We act responsibly, we act for the city, but we are not city officials. Earlier a proposed section of greenway was abandoned...because people were angered by the thought of implied condemnation of their land (by the city). Now, citizen members of the Greenway Commission can go to landowners on a one to one basis, discussing individual points of view with each one. There is that old image of City Hall, the 'them' and the 'us;' but the Commission tears down that barrier."

The greenway program is unique in a number of ways. First, acceptance of the responsibility

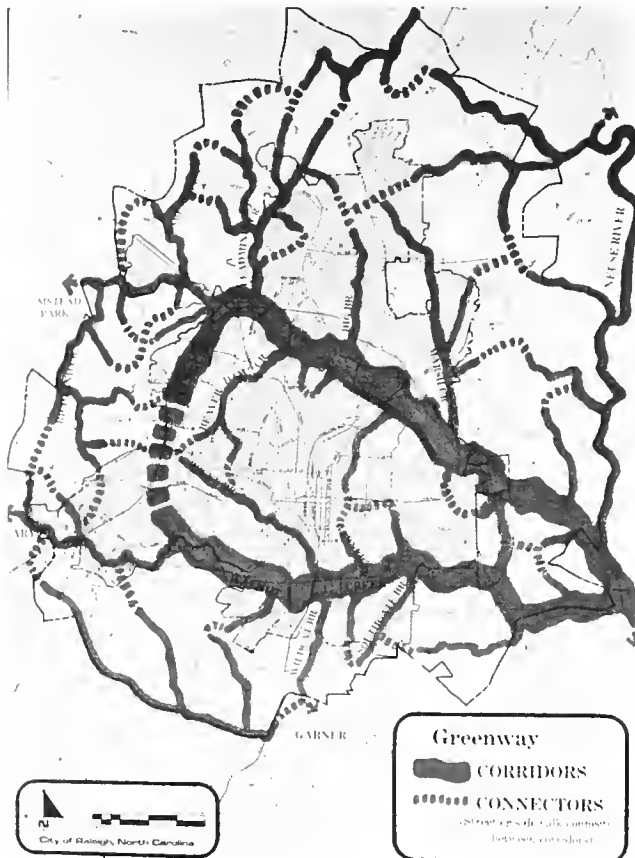
for this program did not necessitate a reorganization or major expansion of the city bureaucracy. Coordination responsibility belongs to the planning department while maintenance and construction duties are handled by the parks and recreation department. The planning department also serves as staff support for the Greenway Commission, translating their recommendations and suggestions into operating policy or action, and supplying advice, materials, and information as requested.

Other requirements of the program are handled by other city departments as extensions of their present duties. For instance, security is handled by the Park Rangers. This keeps the administrative costs of the program minimal. Maintenance and construction costs are relatively low because volunteers are recruited to help maintain the nature trails. Few structures are erected except as needed, to avoid interfering with existing patterns of site drainage (bridges) or to take full advantage of natural features (decks). In fact, the 1980 Trail Evaluation of the Greenway Pilot Projects: Lead Mine Creek and Garner Branch indicates that the material costs of construction (paving, bridges, culverts, etc.) amounted to \$4.29 per linear foot -- comparable to average costs for sidewalks.

Funding for this program has been provided entirely by city and Wake County agencies. The program originally received \$350,000 in revenue sharing monies to use for initial purchases of land, equipment, construction materials, and field surveys. Currently, the program submits an annual capital improvement budget for \$100,000 which is taken out of the City Parks Improvement Fund. Grants totaling \$104,000 have also been received from the County Parks and Recreation Board for materials and acquisition costs of constructing trails near the city limits that would benefit county residents. These monies are then spent on trail construction along corridors where sufficient land has been acquired to construct a significant length of trail.



Sections of corridor are acquired in a number of ways. Initially, property was purchased, but the majority of the greenway land presently under city control was dedicated by private developers. In some cases, developers donated land directly. What generally happens, however, is that commissioners and city staff negotiate with developers after they submit their proposed developments to the subdivision review process.



Raleigh has an ordinance requiring that subdivisions submitted for review that affect land indicated for use as greenways on the accepted Greenway Master Plan be reserved for six months from the date of original submittal. This allows staff and the Greenway Commission time to negotiate the dedication of the property or a greenway access easement. Such gifts of land and access for public use are tax deductible.

The immediate objective of the greenway program is to complete acquisition and at least some trail construction on the major corridors of Crabtree, Walnut, Lead Mine, and House Creeks. This will require the development of new land acquisition strategies. The problem with the subdivision review process is that it only reviews property affecting greenways as of ongoing development -- areas where tax deductions for dedication of unbuildable flood plain

have significant impact. There is less appeal to owners of property either not being developed or mostly in the floodplain. Strategies must also be devised for extending the trail network into corridors developed prior to the acceptance of the master plan.

Recently, the Greenway Commission held a one day workshop to look at the future of this program. They invited city staff, city council members, and members of the Parks and Recreation Advisory Commission to come and share their views. Also in attendance was Robert Mosher, planner in charge of the environmental planning section of the planning department, the section responsible for the greenways. He summarized the directions coming out of this seminar as:

(1) Staff and the commission should continue to work for the dedication of land where reasonable, but, if all else fails, purchases of property should be undertaken. This is particularly true of those parcels of land that are considered by staff to be key to the completion of proposed trail segments.

(2) Communications should be improved, not only with the public at large, but also with developers and financial and real estate interests. Staff should develop a brochure and other media to impress upon these groups the proven benefits of this program and the willingness of all involved to work with them to achieve stated program goals.

(3) The commission should strive to work more closely with the Raleigh Parks Boards in situations where greenways come near or pass through city parks. Also, the board should be encouraged to work closely with the Greenway Commission when proposed park development interfaces with or otherwise affects greenway, and to formalize communications between these two groups.

In sum, the progress of the greenway program is due to the following factors:

- The concept of greenways as adopted by Raleigh is sound.
- Successive city councils have given the program strong financial and other support.
- Developers and citizens have donated land.
- The Greenway Commission has been active.
- The program had received capable and steady staff support.
- Citizen interest and participation in the program began and has continued at a high level.

With the continued active interest of the city administration, the Greenway Commission, and the many volunteers, this program will continue to grow.

Land Preservation through Citizen Action: the Local Land Trust

The disappearance of prime farmlands, forests, open spaces, and the lack of a cohesive land use policy which protects natural resources is creating a strong grassroots initiative for land conservation: people are organizing to take control of local land. The tool they are using is a local land trust -- a nonprofit corporation that enables a group of people to manage land for common uses. Land trusts are a simple, privately organized technique for acquiring and managing land in the public interest.

The first land holding organization was created in New England in the 1890s with the founding of the Trustees of Reservations in Massachusetts. Today, New England has more land trusts than any other region, with over seventy-five land trusts in the state of Connecticut alone.

The local land trust provides a means for community input and community control over land resources. It can provide services which other private organizations and public bodies cannot:

- receive land unacceptable to state or national conservation organizations;
- manage land for which other organizations are unwilling to accept fiscal responsibility;
- operate free of political and statutory restraints;
- refocus its efforts to meet changing local land preservation needs;
- target for protection parcels of key location or value;
- negotiate quickly and privately with a potential land donor;
- solicit monies from various sources;
- work with town officials to shape local land-use planning;
- provide educational and recreational opportunities.

Because of these many advantages, the use of the land trust concept among local public interest groups has been increasing since the mid-seventies.

WHAT IS A LAND TRUST?

A land trust is a community-based organization, usually organized as a nonprofit corporation, which acquires and manages land in the public interest. Land, or interests in land, are donated or bought and used for educational, recreational or scientific purposes.

The advantage of a private land trust lies in its flexibility. A local government is not in the position to acquire and preserve land outside its boundaries. However, a land trust can operate to preserve a special area contained in more than one jurisdiction, for example, land in a river basin.

Since a local trust's sole goal is the conservation of land resources, the trust can consider more active forms of land management such as agricultural use and woodcutting. A local trust can also broaden its agenda to include programs in environmental education, soil conservation, and natural resource management.

Interest in creating a land trust can come from local citizens, who may feel frustrated by



local zoning decisions or by a lack of government funding for acquisition of local open space. Frequently, citizens will organize to protect a piece of property threatened by development. Once the parcel has been protected, citizens may form an organization to pursue land conservation as a larger issue. Armed with com-

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community confidence and the negotiating tools of philanthropy, land trusts can acquire land resources for public benefit at costs considerably below their market value. In return, landowners can receive substantial tax benefits as a result of their participation.

A LOOK AT NORTH CAROLINA

The emergence of local level private land conservation organizations on a widespread basis is a relatively recent phenomenon, but land trust activity is even newer to the Southeast. At least seven local land holding organizations exist in North Carolina: The Botanical Garden Foundation, The Conservation Foundation, The Carolina Bird Club, North Carolina Land Trustees of America, Northwest Environmental Preservation Committee, Eno River Association, and the Land Stewardship Council. Most of these seven groups have been established within the last ten or fifteen years. They focus on specific geographical areas or aspects of land conservation; for example, agricultural land, ecologically important land, or land for recreation purposes.

A group of concerned citizens living in Orange, Durham, Wake, Lee, Chatham, and Johnston counties are working with the Triangle J Council of Governments to create a Piedmont regional land trust. The regional focus is unusual, since most of the land trusts in North Carolina operate on a statewide basis. The Land Trust Task Force for Region J would like to preserve natural areas in these counties for a variety of purposes. The task force, part of Triangle J COG's Land Use Committee, has been working on the issue for over six months, and they hope to be an operating trust by next summer. Typically two years are needed for organization purposes before a group attempts to acquire land.

FORMING A LAND TRUST

Before proceeding, any local group should evaluate the structure of the local government and existing community groups to determine if any other organization could operate as a land trust. If not, the group may decide to incorporate itself as a nonprofit corporation, which can hold and manage land as an independent body.



Close attention must be paid to local land use statistics and trends. In order to build support for a land trust there must be evidence that development of natural resources is taking place at an increasing rate. It must also be

shown that there is a way to protect important natural areas and manage the inevitable development in a way that conserves resources.

Is there enough volunteer interest to sustain the trust? A local group needs to contact key interests in the community and urge them to support a land trust as the best alternative for protection of open space. Key people might include members of garden clubs, civic organizations, sports clubs, historical societies, local businesses, and universities. The support and assistance of local governments in the area is necessary for the trust to succeed. A land trust plan could link existing public lands easements with proposed state and local open space programs.

FUNDING SOURCES

As the group proceeds, it needs to draw up a statement of purpose, seek public input and secure its financial base. Foundation and corporate donations, gifts of land, securities, bequests, fundraising activities, and membership fees can be used as resources. Local support through local funds should be considered a prerequisite to funding from other sources. If the group cannot muster local support, few outside funding sources will risk giving.

Once established as a publically-supported charitable organization, a land trust can receive tax-exempt status from the IRS. A trust can use this status to attract donations, since donors can receive substantial financial advantages for their participation. A tax attorney or an accountant should be consulted for each land transaction.

HOW TO ACQUIRE LAND

A land trust should be guided by a long-term plan and policy statement for its acquisitions. A policy statement clarifies the trust's purpose to the public and establishes guidelines for the trust's external operations. Before pursuing a parcel, a trust should consider whether or not the land acquired complies with its policy statement. Will the parcel be difficult to maintain? Why is it desirable -- for its natural resources, or for recreation or education uses? Is the land accessible to the public?

Once a parcel has been identified, the trust should begin working with the local landowner. What is the landowner's interest in conservation and financial ability to participate? Can the landowner afford to donate part or all of his or her land? As the trust negotiates with the owner, the two sides will determine the particulars of the transaction. Key questions include whether the acquisition will be a gift or sale, and who will pay for the costs of the transaction.

The protection of a parcel of land can be accomplished in a variety of ways:

A. Present Outright Donation

The owner gives the land to the trust with no strings attached. This is the simplest and most direct land gift and usually provides the greatest tax benefits to the donor. Generally, donors give for two reasons: preservation and economics. The tax incentives from an outright donation may be enough to convince a potential donor who otherwise might not have considered the option.

B. Bargain Sales

There will be instances where the landowner will not consider making a full donation, possibly because of an immediate financial problem. In these situations, it may be possible to negotiate a bargain sale, and the landowner receives the advantages of both a gift and a sale.

A "bargain sale" is a sale of property at a price that is less than its fair market value. This results in a part-sale and part-charitable contribution. The amount deductible as a char-

itable contribution is the difference between the fair market value of the property and the actual sale price. In this situation, the landowner receives some actual cash as well as a capital gain tax reduction and a charitable contribution deduction.

C. Donation With a Reserved Life Estate

Property can be donated so that possession and use of the property remains with the landowner and/or other family members during their lifetimes. The contribution is known as a gift of "remainder interest," and the donor is entitled to an income tax deduction for his or her contribution.

D. Donation of Undivided Interest of Land

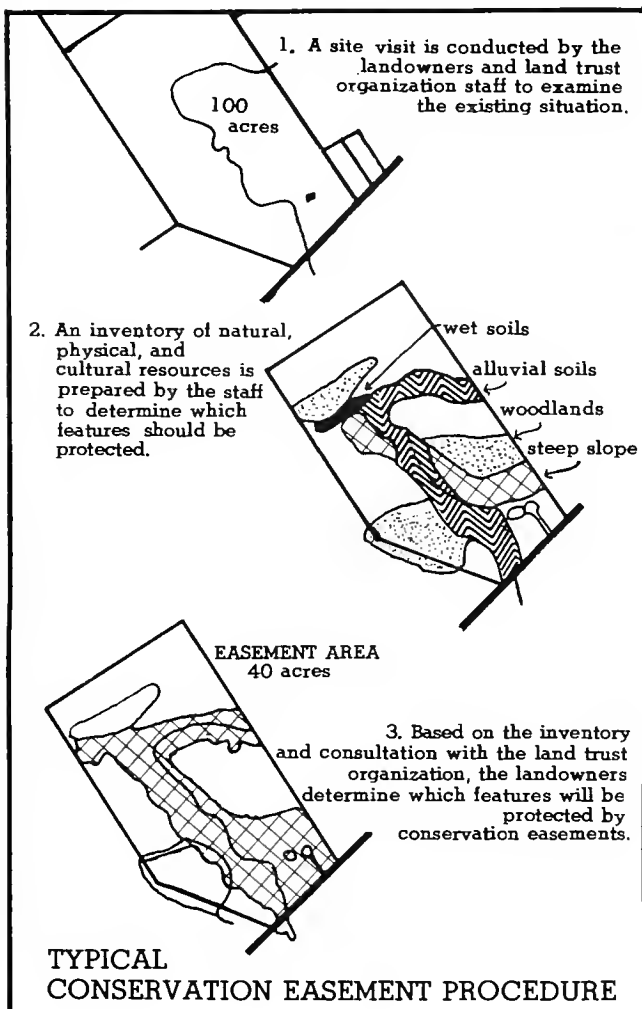
A donation of undivided interest of land involves the donation of a percentage interest in the land and not any specific physical portion. As a result, the land will be owned as tenants in common by all those parties who have interest in the property. In this case the donor is entitled to a tax deduction for the fair market value of the interest contributed.

E. Conservation Easements

Conservation easements are the most powerful, flexible, and effective tools for preserving the natural condition of the land without outright acquisition. In effect, a landowner transfers certain development rights for the purpose of preventing future development of the property. The landowner retains title to and possession of the property. The purpose of the easement, written in deed form and filed with the County Order of Deeds, is to set limits on the development of privately held land. The recipient of the easement does not have power to use development rights in any way.

For tax benefits, an appraiser will calculate the market value of the property with and without the easement. The difference in the two is the value of the easement. In general, the value of the easement is equal to the loss in the potential market value of the land after the easement has been executed.

In 1979, the North Carolina General Assembly enacted model legislation for historic preservation agreements and conservation easements. The legislation has been used by some local governments and several private land conservation organizations. Because of increasing real estate costs, easements are becoming a more feasible alternative to fee acquisition. If the public goals are consistent with existing public uses, the private uses are providing the owner with an income, and there is little need for public access, then the public interest can be protected by preventing any change through an easement rather than outright ownership.



The Humboldt North Coast Land Trust

In 1978, landowners in the small northern California community of Trinidad reacted strongly to legislation which would have created a state coastal park in their area. The proposed ten-mile long park included some thirty-three privately owned parcels of land, all of which would have been taken by eminent domain procedures if the legislation was passed. With training and assistance from The Trust for Public Land, the community formed the Humboldt North Coast Land Trust (HNCLT) as an alternative to state acquisition. Since the local land trust offered landowners more flexible land use options as opposed to state acquisition, the organization quickly gathered community support. In the words of one of the founders of the organization, the basis of its community support was due to the fact that "...the state can't treat each property owner in particular... (whereas) the land trust can be much more detailed and specific to fit the needs of the owner and rights of the people."

With the aid of their Assemblyman, the Trinidad residents succeeded in convincing the Legislature to rescind the bill authorizing the state park. At the same time, it passed a new bill authorizing the California State Coastal Conservancy to give the HNCLT grants totalling \$100,000, in order to purchase property that was previously designated for acquisition by the state. With the technical and financial assistance of the Coastal Conservancy and follow-up guidance from The Trust for Public Land, the land trust has fulfilled its original objective of creating an alternative to a state park, one that will allow a mixture of public and private uses along the coast.

The land trust made two important acquisitions with the funds available from the Coastal Conservancy. Both were bargain sale purchases of ocean front property. One six-acre parcel was valued at \$90,000, and was purchased by the land trust for only \$6,000; another was valued at \$420,000 and acquired in 1981 with the remaining \$94,000 of the state grant. The Coastal Conservancy provided tax benefit advice and other technical support in the structuring and timing of these transactions, while the trustees of the land trust provided energy, dedication and negotiating skills. The result is that land worth more than \$510,000 is now available to the public with \$100,000 of state funds.

The Humboldt North Coast Land Trust has just completed a partial development project on

a nineteen-acre headland called Pilot Point. The group negotiated a bargain sale price of \$50,000 for a property worth five times that amount. Because of the potential public benefits of the project and willingness of five trustees to co-sign notes worth \$10,000 each, a local bank lent the money to the land trust at a favorable interest rate.

The existing zoning of the property would have allowed five single-family homes to be constructed on the nineteen-acre site. After purchasing the land, the trustees applied for and received approval to create a one-acre lot suitable for one unit of housing. The lot sold for \$125,000, which enabled the land trust to pay back the loan and engineering costs. The transaction yielded a net profit of \$50,000 for the HNCLT.

The remaining eighteen acres will be managed under a cooperative agreement between the land trust and Humboldt State University, which will use the land for geologic research. The proceeds from the transaction will fund the ongoing operations of the land trust. Armed with their own energy and dedication, and supported with the technical assistance of the Coastal Conservancy and The Trust for Public Land, local citizens have set aside eighteen acres of coastal land for the public benefit with no outlay of public funding.



From a memo prepared for the California State Coastal Conservancy by The Trust for Public Land, January 1982.

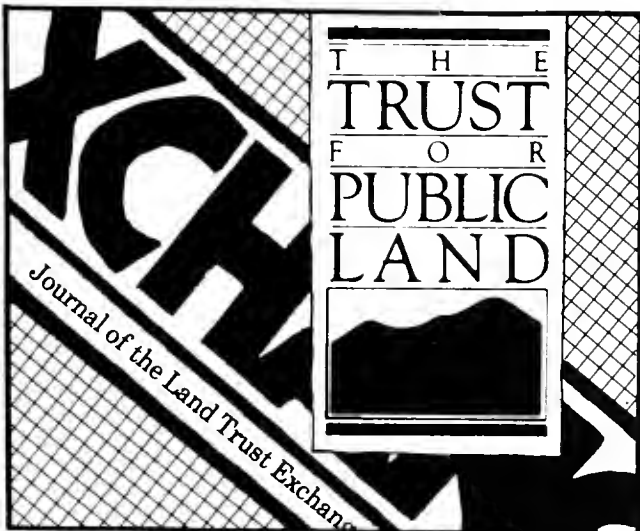
F. Sale and Lease Back

Another mechanism available for conservation purposes is the sale and lease back technique. The trust buys or is given land from a landowner, and both sign an already agreed-upon lease which leases the land back to the original owner for a specific purpose. In this way, the landowner immediately receives money from the sale but still retains use of the land. The trust receives rent from the land which goes toward maintenance costs.

NETWORKS AND EXCHANGE

The Land Trust Exchange was organized early this year in Massachusetts. Its purpose is "to serve as the catalyst and hub" for individuals and organizations involved in the conservation of local private land. Over 400 local land trusts have been organized since 1975, and the Land Trust Exchange was created as a support system for all these isolated efforts by sharing information, technical expertise, program experiences, and moral support. The group publishes a newsletter called "Exchange," operates a data base information service, and sponsors working groups to address critical issues in private land-saving.

The Trust for Public Land (TPL), another national organization, was created in 1975 to acquire and preserve land to meet human needs. By acting as an intermediary between landowners and government parks and recreation agencies, and by using its status as a charitable organization, TPL saved \$8 million in public acquisition funds in 1981 alone. TPL also provides technical expertise to community groups forming local land trusts. They have helped form sixty-five trusts throughout the country and trained these groups in areas such as incorporation, acquisition of properties, and tax benefit analysis. TPL will also lead a newly-formed land trust through a demonstration project to teach organizers the skills needed to acquire land.



The Nature Conservancy (TNC), also a national organization, works across the country to preserve biotic diversity through the acquisition and management of significant natural areas. TNC has a state field office in Chapel Hill, and since 1977 the organization has set aside over 130,000 acres in North Carolina. The Nature Conservancy, like The Trust for Public Land, has developed the expertise in land acquisition and management to be of assistance to local groups.



A number of books and pamphlets on the subject of land trusts have been published during the past several years. For example, the North Carolina State Heritage Program in the office of Natural Resources and Community Development has published a booklet called: "Forming a Conservation Foundation in North Carolina." It offers a clear, concise account of a step by step approach to creating a land trust. Another example comes from the Connecticut Land Trust Service Bureau, which was organized to serve land trusts in the State of Connecticut. The Bureau has recently published a detailed handbook on creating and managing land trusts which is probably the best publication of its kind.

The Land Trust Exchange has produced a book containing the proceedings of a 1981 conference that dealt with forming land trusts and networks. Many of the short papers found in this book formed the basis for the creation of The Land Trust Exchange. The proceedings give a good perspective on activity across the country, as well as a look at creative solutions to some of the problems other trusts have had.

CONCLUSION

The increasing use of local land trusts as a tool for land conservation is a symbol of strong grassroots activity. Faced with an invasion of highways and highrises, cluttered landscapes, and lack of open space, people are organizing themselves to take responsible control of local land use. Local land trusts have thus far secured over 675,000 acres of scenic, coastal, farm, forest, streambank, trail, recreation, and urban open space lands.

The concept of a land trust is based on the idea that open spaces and areas for scenic and recreational pleasure are important to people. A local land trust is a way for citizens to shape the future of natural lands in their region. Working with state and local governments, local private land trusts can help accomplish the goal of land conservation in a more thorough and efficient manner. As a nonprofit group it can raise its own funds; as a private entity it brings the public and private sector together.

food price of ten cents per pound and may be quite close to zero. For this analysis, the fish will be valued at a social opportunity cost of zero. This is due to the underutilization of the fishery. It should be understood that a higher social value may be placed on croaker if the surimi plant continues to be successful.

The final input to this project is labor. Twenty-seven of the jobs created by the project are assumed to employ formerly unemployed residents. Society loses nothing by putting them to work, therefore these jobs are valued at zero. The benefit derived from the creation of these jobs is the value associated with the work over and above the wage paid. This is the difference

THE MOST DIFFICULT TYPE OF PROJECT OUTPUTS TO
EVALUATE ARE OFTEN ENVIRONMENTAL EFFECTS

between the wage they are willing to work for and the amount they are actually paid. What is the value of a job processing fish or unloading boats, over and above the wage paid? This is difficult to assess.

The two American-held managerial positions created by the plant do have a social opportunity cost, since it is assumed that these managers will already be employed. The cost to society of the jobs vacated will be valued at the corresponding salaries. The project will be charged \$40,000 per manager.

The major output of any production process, whether it be publicly or privately financed, is the final commodity. In this case, the end product is 400 tons of surimi, all of which is assumed to be shipped to Japan for sale. From the viewpoint of the U.S., this output does not increase aggregate domestic consumption; in other words, it does not increase national income. As a result, the value of this output in a social cost-benefit analysis is zero.

Taxes derived from this project are handled differently than they would be if the firm was American-owned. In this case, taxes are a direct benefit to American society, since the American government is receiving a new source of revenue. The annual benefit from taxes is \$486,000. If this firm was American-owned, these taxes would be no more than transfer payments. They would not appear at all in the accounting of the costs and benefits of the project.

The most difficult type of project outputs to evaluate are often environmental effects. In this example, several potential environmental costs have been identified. The first of these involves the treatment of wastes from the processing plant. As a result of this waste treatment process, there could be negative effects on

the nursery grounds of fish species in the area. Future production may be reduced by this pollution; however, the amount and value of this lost production is unknown at this time. Another possible negative environmental effect of this project is that the fishing technology used in catching croaker could damage the shrimp nursery area. This could hurt the fishermen, who would receive a lower price for damaged shrimp, or it could hurt the consumer who may have to pay a higher price if there is a smaller supply.

A final major environmental issue concerns Oregon Inlet and the need for frequent dredging. From a social cost-benefit analysis perspective, the value of preserving the natural integrity of the Inlet could be measured by how much individuals would be willing to pay to prevent dredging. As with other environmental issues, this amount would be difficult to quantify.

Many of the environmental issues and other outputs present problems in terms of quantification. In this social cost-benefit analysis, the cost of the inputs to this project are less than the benefits received. This is primarily due to the unique way in which taxes were accounted. Note that this would not be the case if the firm was American-owned. Also, these benefits assumed no type of tax break and as a result may be unrealistically high. For this project, the only benefit that was not quantified was the value of using unemployed labor; however, many of the outputs that could not be quantified were at the same time costs of the project. It seems that if values could be assigned to these unquantified benefits and costs, the total costs could outweigh the total benefits. From a social cost-benefit point of view, this project should be closely scrutinized before being undertaken.

IMPLICATIONS FOR PLANNERS

Three perspectives have been used to evaluate the case of a surimi plant locating in the Wanchese Seafood Industrial Park. These perspectives show that analysts can take the same project and depending on their own perspective, arrive at different answers about the value of a project. The question becomes: What is the appropriate framework to use when evaluating projects that require public investment? Certainly, the value of jobs to a region cannot be disputed. However, does a perspective centered on that objective really encompass the costs and benefits of a project from society's point of view? Economic development planners do not always include considerations such as job quality, environmental effects, or costs of providing other services. Often a more thorough examination of a project's impacts with a wider point of view would more accurately represent the value of that project in relation to the money being spent by the government agencies involved.

TABLE 1: Over twenty years

FINANCIAL ANALYSIS (1)

Quantifiable inputs	Cost	Quantifiable outputs	Cost	Net Present Value
capital investments	\$1,690,000	sale of surimi	\$15,000,000	\$6,925,911 (2)
rent	2,400			3,739,993 (3)
labor	3,189,608			
fish	1,575,000			
packaging/shipping	1,320,000			
operation & maintenance	892,500			
depreciation	633,750			
state taxes	460,831			
federal taxes	3,185,918			

ECONOMIC DEVELOPMENT (1)

Wanchese Industrial	\$2,849,645	16 dock jobs	\$1,200,000	\$1,670,060 (4)
Park (proportion		11 processing jobs	825,000	344,570 (5)
attributable to		2 managers	600,000	
surimi plant)		1 fisherman equivalent	80,250	
		franchise tax (6)	19,012	
		corporate income tax (7)	441,818	

SOCIAL COST BENEFIT (8)

Wanchese Industrial	\$2,848,645	taxes	\$7,241,400	\$2,487,987
Park				
capital equipment	200,000			
operation & maintenance	4,768			
building costs	500,000			
unskilled labor	0			
managers	1,200,000			

- (1) discount rate = 12%
 (2) without federal tax
 (3) with federal tax
 (4) using a multiplier of 1.5 applied to income figures, assumes 100% unemployment
 (5) without a multiplier, assumes 100% unemployment
 (6) franchise tax \$1.50/\$1,000 value of assests; assests = \$1,690,000
 (7) corporate income tax, 6% of net income; net income/year = \$981,818
 (8) social rate of discount = 3%

REFERENCES

Information on state tax rates and the operation of Wanchese Seafood Industrial Park provided by the North Carolina Department of Commerce.

U.S. Department of Commerce, National Oceanic and Atmospheric Administration. Prospectus for Development of the United States Fisheries. 1979.

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Book Review

Public Choices - Private Resources:

Financing Capital Infrastructure for California's
Growth through Public-Private Bargaining.

John J. Kirlin and Anne M. Kirlin, California Tax

Foundation, Sacramento, California, 1982

In June 1978, Proposition 13 was approved by the residents of California, forcing local governments to find other sources of tax revenues. At that time, the City of Santa Monica was in final negotiations with developers of a proposed \$18 million downtown renewal project. The project formed a substantial part of the city's long-term redevelopment plans, and local officials intended to use tax-increment backed revenue bonds to provide financing for the city's share of development costs. With the passage of Proposition 13, the city lost \$650,000 in annual tax-increment revenues, threatening Santa Monica's ability to meet its obligations to the redevelopment project. In order to retire the bonds, the developers agreed to make annual payments to the city that will approximately equal the amount of lost tax revenues. This agreement allowed the project to be completed.

Santa Monica's experience is highlighted in John J. and Anne M. Kirlin's book Public Choices-Private Resources. This study explores how capital infrastructure for California's growth can be financed through public-private bargaining. Smaller property tax revenues coupled with decreasing federal grants-in-aid are factors driving local governments to find other methods of financing. The Kirlins believe that governments' shrinking fiscal capacity and continued development pressure are forcing the public sector to shift more capital costs to developers. Bargaining between the public and private sectors offers one way to accomplish this shift.

The book is designed to teach effective use of the bargaining process to public officials and administrators as well as developers. It introduces the reader to a general overview of the entire bargaining process. The Kirlins define a bargain as an agreement between a developer and public officials. The developer agrees to undertake improvements or provide funds or revenues to the jurisdiction that will pay for improvements specific to that project. Since bargaining is project-specific, it cannot be applied uniformly like taxation or development fees.

The first several chapters of Public Choices-Private Resources describe how bargaining works in California. The Kirlins first identify the state enabling legislation which encourages its use. The Development Agreements Act expressly authorizes localities and developers to contract in a broad manner for mutual benefits. After defining the framework for bargaining, the authors discuss the different methods currently in use. Two very common types are payments in lieu of taxes and public improvements in the project areas. Case studies are included to put the bargaining process into perspective.

In the last half of the book the Kirlins evaluate what bargaining means to developers and jurisdictions. This section highlights the risks each participant must take in the commitment to bargaining. The Kirlins' analysis shows that even with its risks, bargaining offers a good alternative as other avenues for development are closing. Both jurisdiction and developer can benefit if they are willing to take a few risks. The book concludes with a discussion of legal constraints on bargaining in California and proposes some future policy choices that could strengthen the process. These final chapters help readers outside of California see how a viable bargaining process could be developed in their jurisdiction.

Overall, Public Choices-Private Resources emphasizes the advantages of bargaining. The Kirlins advocate bargaining as a complement to public financing which does not damage property rights or destroy public policies. All states are facing reductions in federal grants-in-aid often used to finance capital infrastructure. With reduced federal funds, North Carolina will be forced to find other sources of revenues to pay for the new growth and development the state predicts will occur during the next twenty years. The bargaining techniques described by the Kirlins offer an option for North Carolina and other states.

Carol Shaw is a Masters candidate in the Department of City and Regional Planning at the University of North Carolina, Chapel Hill.

Resource Directory: Information and Technical Assistance Providers for Public/Private Ventures

CENTER FOR CORPORATE PUBLIC INVOLVEMENT

1850 K Street, N.W.
Washington, D.C. 20006
(202) 862-4047

The Center shares information about corporate efforts in community projects, corporate contributions, social investments and volunteerism projects, and publishes a monthly newsletter, "Response," that reports on members' involvement in these areas.

COMMITTEE FOR ECONOMIC DEVELOPMENT

1700 K Street, N.W.
Washington, D.C. 20006
(202) 296-5860

Contact: Nathaniel Semple

CED analyzes issues and recommends policies on economic growth and employment. CED has produced many publications relating to public/private ventures, including a recent policy statement, Public-Private Partnerships: An Opportunity for Urban Communities, and a companion volume, Public-Private Partnerships in American Cities: Seven Case Studies.

CORPORATION FOR ENTERPRISE DEVELOPMENT

2420 K Street, N.W.
Washington, D.C. 20037
(202) 298-8771

Contact: Robert Friedman, President

CfED assists private corporations, state and local governments, and community-based organizations to devise and implement enterprise development strategies to create jobs, generate income, provide needed goods and services, and to revitalize depressed economies. CfED publishes "The Entrepreneurial Economy" on a monthly basis and other articles related to public/private ventures.

FEDERATION FOR ECONOMIC DEMOCRACY

2100 M Street, N.W., Suite 306
Washington, D.C. 20063

The Federation promotes and assists worker and community-controlled economic enterprises. Its newsletter focuses on the concepts of capital funding and the legal structure of worker self-managed enterprises.

FEDERATION OF SOUTHERN COOPERATIVES

P.O. Box 95
Epes, Al. 35460
(205) 652-9676

The Federation provides technical assistance to agricultural cooperatives and credit unions in the South.

LOCAL INITIATIVE SUPPORT CORPORATION

Southwest Regional Office
100 W. Martin Luther King, Jr. Blvd., Suite 805
Chattanooga, Tenn. 37402
(615) 756-2591

Contact: Art Campbell

LISC is a national nonprofit enterprise, supported by the Ford Foundation, that provides development assistance and support grants to local organizations attempting to draw new private and public resources into their neighborhood revitalization efforts. Grant awards require substantial matches from local public and private sources.

NATIONAL ASSOCIATION OF NEIGHBORHOODS

1651 Fuller Street, N.W.
Washington, D.C. 20009
(202) 332-7766

Contact: Steve Glaude, Executive Director

NAN, a membership organization of neighborhood organizations, provides information, assistance and policy analysis in support of neighborhood-based development activities. Current activities focus on assisting neighborhood organizations in their efforts to contract for or provide services previously provided by local governments. Neighborhood Economic Enterprises, which includes a useful resource list and profiles of neighborhood enterprises (many in the South), can be purchased from NAN.

NATIONAL ASSOCIATION OF SMALL BUSINESS

INVESTMENT COMPANIES

618 Washington Building
Washington, D.C. 20005
(202) 638-3411

Contact: Andrea Hatfield

As a membership organization of Small Business Investment Companies, the Association publishes information and research on SBIC's, including a listing and description of SBIC's nationwide which provide equity capital and long-term debt to new and small businesses.

NATIONAL CONGRESS FOR COMMUNITY ECONOMIC DEVELOPMENT

2025 I Street, N.W., Suite 901
Washington, D.C. 20006
(202) 659-8441

Contact: Robert Zdenek, President

NCCED, a membership organization of community development corporations, conducts research and provides information and assistance in the areas of private sector involvement, neighborhood self-help, and urban and rural economic development. NCCED offers several publications relating to public/private ventures including Community Development Corporations and State Develop-

ment Policy: Potential for Partnerships and Syndication Strategies for Community-Based Economic Development. Several monthly publications are also available.

NATIONAL COUNCIL FOR URBAN ECONOMIC DEVELOPMENT
1730 K Street, N.W.
Washington, D.C. 20006
(202) 223-4735

NCUED conducts research and provides information and technical assistance on urban economic development issues, programs and policies. Its monthly publication, "Commentary," reports on programs relating to new business development.

NATIONAL DEVELOPMENT COUNCIL
1025 Connecticut Avenue, N.W.
Washington, DC 20036
(202) 466-3906
Contact: John Sower, Director

The National Development Council is a national nonprofit organization dedicated to expanding economic development in low-income communities. The Council researches and seeks to implement workable economic development tools and models, while stressing the need for public/private partnerships. Major program areas include the National Minority Bank Deposit Program, National Minority Purchasing Program and Neighborhood Commercial Revitalization.

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER
1990 M Street, N.W., Suite 450
Washington, D.C. 20036
(202) 659-0040
Contact: Leo Fishman

The Center provides legal, planning and technical assistance in economic and community development to community groups, government entities and businesses. The Center specializes in providing legal advice on and constructing legal relationships for public/private ventures and on the tax implications of business involvement in development ventures.

NATIONAL TRAINING AND INFORMATION CENTER
1123 W. Washington Boulevard
Chicago, Ill. 60607
(312) 243-3035

NTIC is a resource center which provides organizing training, consultation and technical assistance, and research to neighborhood organizations concerned with development in their communities. Controlling Neighborhood Development: A Manual for Community Groups is recommended for community-based organizations considering involvement in public/private ventures.

NATIONAL TRUST FOR HISTORIC PRESERVATION
1785 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 673-4055
Contact: Mark Wienheimer

The Trust provides technical assistance, information and funds to historic preservation organizations. Its Inner City Venture Fund tar-

gets loan and grant packages to neighborhood organizations that are trying to prevent displacement caused by revitalization and preservation activities in minority neighborhoods. These packages are matched locally by public and private dollars.

NATIONAL URBAN COALITION
1201 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 331-2400
Contact: John Brandenburg

NUC is a coalition of local government, business, labor and community leaders working together to revitalize American cities. Assisted by a grant from the Ford Foundation, the Coalition is providing project planning and resource development services to community-based organizations involved in partnerships with the private sector to revive business areas and housing in inner-city neighborhoods. Groups interested in applying should contact the Coalition.

NEIGHBORHOOD REINVESTMENT CORPORATION
Washington, D.C. 20552
(202) 377-6360

The Neighborhood Reinvestment Corporation assists in the development and support of locally organized and controlled Neighborhood Housing Service programs which work to improve the quality of the housing stock by developing partnership efforts among lenders, city officials and residents. In recent years, NRC has broadened its scope to include neighborhood commercial reinvestment activities.

PUBLIC/PRIVATE VENTURES
1701 Arch Street
Philadelphia, Pa. 19103
(215) 564-4815
Contact: Richard de Lone

P/PV provides program design, management and evaluation assistance to businesses, government and community organizations involved in economic development, employment and training projects. P/PV has prepared numerous publications on these issues.

SOUTHERN NEIGHBORHOODS NETWORK
c/o NCCED, Suite 901
2025 I St., N.W.
Washington, DC 20006
(202) 722-0646
Contact: Marty Collier or Carter Garber

SNN provides training and information to assist the planning and development activities of community organizations in ten southeastern states. Training is provided in organizational and management development, board and leadership training, community-wide planning mechanisms, and issue and project development. SSN also produces "Southern Neighborhoods," a bi-monthly newsletter oriented to organizations in the community control movement in the South.

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